The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

The Birthday Celebrations---General Chiang Is Nobody's "Stooge"

ARTICLES IN THIS ISSUE

Minister Kung Issues Financial Report for Fiscal Year July 1934 to June 1935

General Chiang Kai-shek Is Nobody's "Stooge"

China in Relation to the Rest of the World

Don't Forget China's Humiliations, Warns Gen. Chiang; Japan's China Policy "Inflexible"

Shanghai Foreign Settlement Must Set Its House in Order

How a Peiping Doctor Used a Louse to Conquer Typhus

The Rush for Gas Masks in Harbin (*By the Review's Harbin Correspondent*)

A Split Amongst Inner Mongolians (*By the Review's Tientsin Correspondent*)

Lu Chu Appointed Acting Governor of Hupeh Province (*By the Review's Hankow Correspondent*)

The Meaning of the Nation-Wide Celebration of General Chiang's Birthday . . . . . By C. Y. W. Meng

If China Was Conquered Could She Absorb Her Conquerors? . . . . . By K. S. Yen

The Foreign Opposition to China's Income Tax . By O. K. Lee

The Girl Guides . . . . . By T. S. Young

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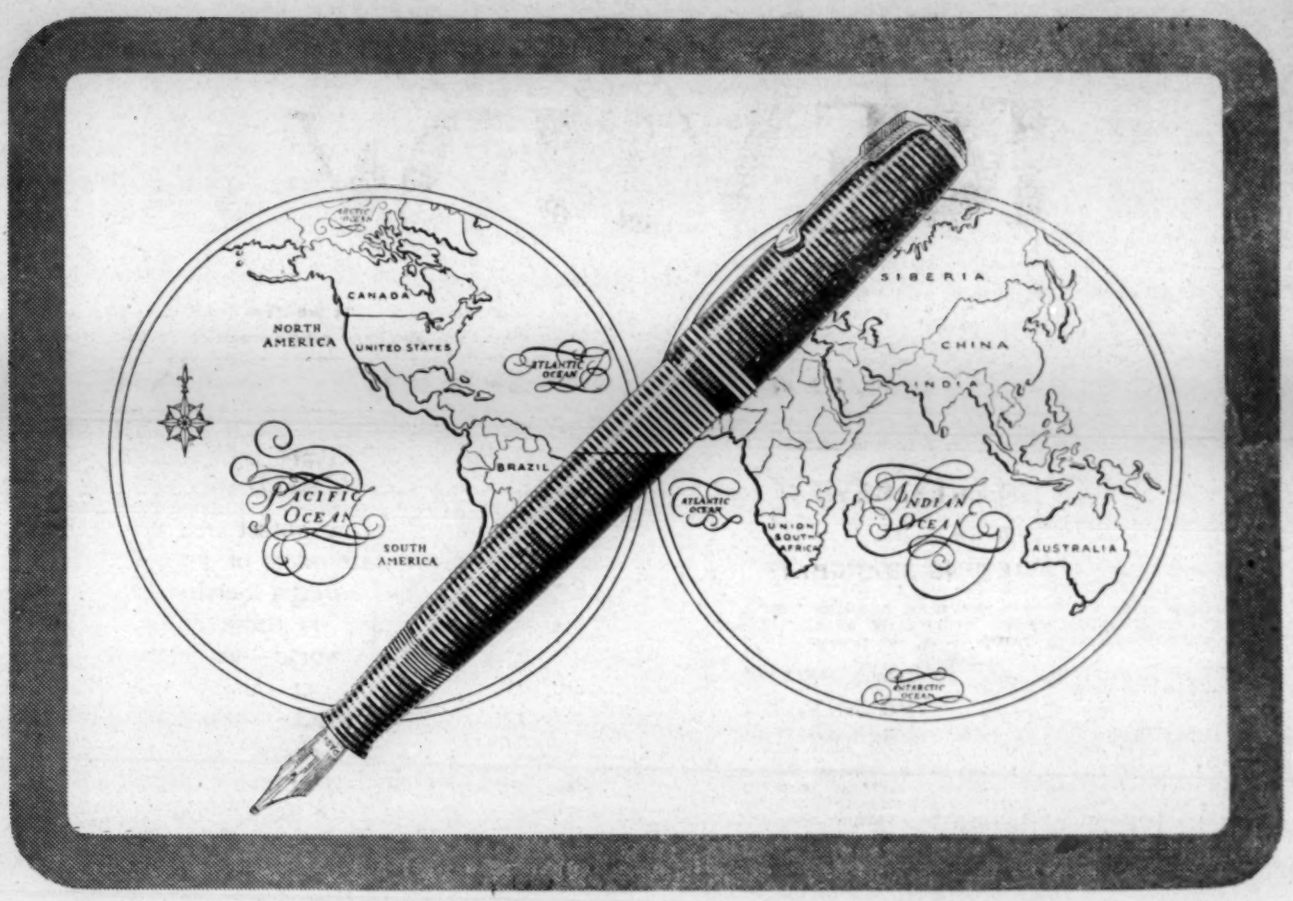

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Contents

Editorial Paragraphs

Shanghai Foreign Settlement Must Set Its House in Order 329
General Chiang Kai-shek Is Nobody's "Stooge" 330
China in Relation to the Rest of the World 332
Madrid on the Eve of Capitulation 335

Special Articles

Don't Forget China's Humiliations, Warns Gen. Chiang; Japan's China Policy "Inflexible"..... 336
Lu Chu Appointed Acting Governor of Hupeh Province..... 340
The Rush for Gas Masks in Harbin 341
A Split Amongst Inner Mongolians 342
The Girl Guides ..... By T. S. Young 343
The Meaning of the Nation-Wide Celebration of General Chiang's Birthday...By C. Y. W. Meng 344
Minister Kung Issues Financial Report for Fiscal Year July 1934 to June 1935..... 348
The Foreign Opposition to China's Income Tax .....By O. K. Lee 351
If China Was Conquered Could She Absorb Her Conquerors? .....By K. S. Yen 354
"Progress" in Manchuria..... 356
How a Peiping Doctor Used a Louse to Conquer Typhus 358
Who's Who in China 359
Men and Events 360
New Books of Interest in the Far East 362

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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SHANGHAI FOREIGN SETTLEMENT MUST SET ITS HOUSE IN ORDER

LET it be stated at the outset that the annual reports and the statements of accounts issued by the Shanghai Foreign Settlement are as complete and informing as those issued by any Municipality in the world—way above the average. Everything is set out so clearly that even he who runs may read. The great trouble is that so few people read them. If they did the fact that the Shanghai Settlement is run on an exceedingly extravagant scale would have impressed itself on he local body politic already long ago. But, things being as they are, the only time that the Shanghai public is inclined to emit a yell is when they are told that a further increase of taxes is inevitable. It is then that Shanghai citizens begin to "holler"—and then it is too late, at least for the current year. The enormous retiring allowances and pensions are set out in full, with names and amounts in large sized type. The fact that there is much duplication of work and way too much "overhead" shines out all over the annual reports. Some day there will be a genuine explosion about the whole matter. The days of foreign control in Shanghai are numbered at best, but Shanghai Foreign Ratepayers should realize that it is only by efficient and inexpensive administration that the Settlement might be able to earn for itself a few more years of life. At the present time not only the Chinese community but the Japanese community are keen observers of the Settlement's administration, and it behooves those who have control at the present time—provided they hope to continue to exercise such control in future, as no doubt they do—to realize that the only possible excuse there can be to allow them to continue to retain the guiding hand is that they are fulfilling the duties of their stewardship in a manner that is beyond reproach. That they are not doing so is a fact that can be demonstrated without a great deal of trouble. The gunboats cannot always be relied upon to maintain supremacy; they might be busy elsewhere.

General Chiang Kai-shek Is Nobody's "Stooge"

GENERALISSIMO Chiang Kai-shek has made it abundantly clear to everyone that he does not intend to become anybody's "stooge".

"Chinese diplomacy will be based on a spirit of self-reliance with a view to defending the national interests," he is quoted by *Kuomin News Agency* as saying during an interview at Sian. "This policy will never be altered. China will never rely on the assistance of other countries, nor will she be restrained by other countries."

The meaning of this statement is equally clear in Japanese as in Chinese, English or Tagalog, but the Nipponese warlords still cling to the hope that General Chiang will accept their proposition to become their "stooge", or at least a "little corporal" in the Imperial Japanese Army, fighting the Chinese Red Army.

The word "stooge" is not found in any standard dictionary but it is a familiar term to motion picture fans. The "stooge" is the foil for the Number One comedian, acting as the object of roughhouse kicks and slaps and the recipient for jibes and ridicule . . . the principal gets the applause and the fat pay envelope, the "stooge" gets the bruises.

Acceptance of Japan's demands for joint military cooperation against the Reds, the third point in the notorious "Hirota Three Point Plan", would certainly make a "stooge" out of the generalissimo. It is far beyond the "limit" to which China will go, as has been emphatically stated.

General Chiang will not accept the "support" of the Japanese Army in fighting the Communists and, conversely, he will not accept the "support" of the Communists in fighting the Japanese. His bitter experiences of the past in "joint cooperation" with these two elements are sufficient to teach anyone that such alliances are too dangerous. Cooperation with Japan in fighting Chinese Communists would be worse than dangerous, it would be indirect treason, as Japan's lust for power is as great as her appetite for territory.

The proposal for a "United Front" against the Japanese is receiving the support of Leftist organizations, National Salvation Leagues, intellectual groups, "Blood and Iron" societies, student organizations and others in North China and Northwestern China. However it is noteworthy that the manifesto recently issued by nearly 100 Peiping educators did not include among its eight "demands" upon the Central Government, any reference to an anti-Japanese alliance with the Communists. The *United Press* correspondent at Peiping reported that the Waichiaopu had wired "acceptance" of all eight points to the Peiping organization on October 29.

These eight points, as quoted by the *Shanghai Evening Post and Mercury* on October 29, were:

1. Negotiation with Japan on the policy that China's territorial and administrative rights must not be impaired or humiliated.

2. The maintenance of an absolutely open policy in all diplomatic negotiations between China and Japan. The Chinese Government should make public the progress of the Nanking parleys.

3. Opposition to Japanese interference in Chinese domestic problems and all illegal activities of the Japanese army in Chinese territory, and suppression of the activities of the Japanese special affairs bureau.

4. Opposition to any kind of movement or government in China promoted by outside forces.

5. Rejection of Japan's claim for any special position in North China.

6. Opposition to foreign assistance in the economic development of North China, and rejection of any attempt to control the natural resources of the country.

7. The use of force to suppress smuggling.

8. The sending of a punitive expendition to assist the Suiyuan troops to put down any invasions from "Manchukuo" or bandit activities.

Only a few months ago the educator-student groups were daily growing more radical and more responsive to the anti-Japanese propaganda skilfully employed by the Communists. It was at a time when the Japanese militarists had commenced running rampant over the Hopei plains and it seemed the Central Government had completely forgotten North China. The educator-student class was being definitely solidified into a Left Wing with noticeable anti-Nanking tendencies.

Events of the past three months are causing these people to enthusiastically rally under Nanking's banner. They have been cheered and encouraged by the dignified, firm policy which is being followed by the Chinese Government. Where they were red or pink previously, they are only ruddy now and their loyalty to Nanking cannot be doubted. In many respects, they can serve as an example to other sections of the country. With the firm policy of Nanking become more apparent, all students demonstrations and "riots" have ended, although the students are still active in the field, visiting the country-side to teach the simple peasants the meaning of patriotism, loyalty and sacrifice.

"The Government will, in pursuance of its settled policy, observe the necessary 'limit' and negotiate with the Japanese authorities in a spirit of complete sincerity," said General Chiang in Sian on October 30, "but the restoration of administrative integrity in Hopei province and the suppression of bandits in northern Chahar and eastern Suiyuan are indispensible from our point of view."

Hopei has not been forgotten, nor has Shansi, Shensi, Suiyuan, or Kansu where Central Army

troops are making a desperate fight against the desperate Reds under the most brilliant array of Red Army commanders in the field. The Japanese warlords in North China and Tokyo have long tried to "pin" a Red Army-Nanking alliance on General Chiang. Early this spring they even claimed to possess photostatic copies of an "agreement" to this effect, although they never actually showed them to anyone.

Definite proof of an alliance with the Chinese Communists would give the Imperial Japanese Army an excuse to move their tanks and tin hats into action against the Nanking troops in the north, then pose before the Powers as the saviors of China and the world from Communism. However, the more sensible among them pointed to the fallacy of producing such evidence, faked as it must be, in the face of the Central Government's costly and smashing drive against the Reds in Shansi and Shensi. Nothing has been heard from the Japanese regarding the "proof" of this alliance for many months.

Immediately after the downfall of the Liang-Kwang regimes and the inclusion of those important provinces in Nanking's area of complete jurisdiction, Japanese military and political leaders predicted that General Chiang Kai-shek would soon turn his attention to the North China "situation" and atempt further unification of the Chinese nation.

This they regarded as evidence of his "lack of sincerity" and commenced immediately to consolidate their position in Hopei as quickly as possible. Indeed, their predication is being fulfilled, as seen by the generalissimo's personal trip to the north, the Hangchow conferences, and the manner in which Generals Yen Hsi-shan, Fu Tso-yi, Han Fu-chu and the others are rallying to General Chiang's appeal for a united country. It is not difficult to recall the attitude of these northern generals only a few months ago.

The Japanese Army maneuvers in the Tientsin-Peiping area during the past few days were, in a sense, a "warning" to General Chiang. That the maneuvers were a boomerang, by intensifying the natural hatred of the Chinese populace for the Japanese militarists, apparently has not occurred to any of the Nipponese warlords.

The attitude of the North China leaders, with the exception General Sung Cheh-yuan, is now clear cut. The views of Generals Chang Hsueh-liang and Yu Hsueh-chung towards the Japanese have needed no clarification. General Yen Hsi-shan, who has played ball with the Japanese several times in the past and accepted a ride in a Japanese plane and Japanese hospitality in Dairen for several months when he was in trouble, liked to be known as a "Little Tsar" in Shansi and he encouraged no "meddling" in Shansi affairs by the Central Government, but his views on the subject have distinctly altered during recent months. His trips to Sian, Loyang and elsewhere to interview the generalissimo and his determined drive to deport Japanese narcotic operators from Taiyuan, knowing full well the Japanese military reaction, show with whom he has cast his lot.

General Fu Tso-yi's preparations for resisting the advance of Japanese-inspired "Manchukuoan" troops and bandits from Chahar, have compelled the Japanese to regard him as another enemy. His resistance to these invaders, according to *Domei*, will have "serious repercussions in Suiyuan-Japanese relations."

General Han Fu-chu, provincial chairman of Shantung, has cast aside his fence-straddling policy in a very dramatic manner, leaving no doubt where his loyalty stands. In an interview with Japanese correspondent in Tsinan on October 29, he did not talk about the nice, friendly relations existing between China and Japan. He talked about fighting Japan.:

> **"Suppose that Japan should occupy China's six eastern provinces," the chairman remarked in the course of an exclusive interview with Domei. "It would take two divisions to hold each province. That would mean that 12 divisions would have to be in the field to occupy China's seacoast from Hopei to Kwangtung," he said.**
>
> **"Even if we retreat, we shall keep on resisting. The more the Japanese troops advance into the interior, the more will they find fighting difficult. The war will not end for two or three years and while it is true that China will suffer, Japan will also be weakened," he declared.**
>
> **"Should Japan use force in Hopei or in Shantung, China will have no alternative but to fight," he said.**

Banners proclaiming "Down with Sung Cheh-yuan" have been seen in some patriotic demonstrations and rallies during the past two weeks and the anti-Sung sentiment was quite strong among loyal Chinese in Peiping and Tientsin two or three months ago. Certainly his actions on the surface have not been those of a true Chinese patriot but as the saying goes, "In China, things are not what they seem."

There are too many significant factors involved in his deep political game. General Sung's splendid war record cannot be ignored. His 29th Army is very definitely anti-Japanese. The Nanking Government has never repudiated him. He has endured many insults from the Japanese warlords since he assumed his present post, and his love for them cannot have improved. The educator-student groups in Peiping and Tientsin are withholding judgment and there is a slight majority opinion that all is well where he is concerned. The Japanese do not trust him. He has resisted tremendous pressure exerted by the Japanese militarists, and he is in constant communication with the Nanking Government on every phase of the situation. The same cannot be said of his subordinates, including many of the old Anfu Clique and other traitors who have crawled forth from their holes in the Tientsin Japanese Concession and taken lucrative appointments.

China in Relation to the Rest of the World

MODERN China's foreign policy, moulded by a 35-year struggle to preserve national sovereignty from foreign aggression, has always rested upon a belief in the inevitability of Imperialist rivalries.

The bequeued diplomats of the Celestial Empire had early discovered that the only way to resist the "foreign devils" was to pit them against each other. At times this policy was extremely successful, as in 1922, when the United States and Great Britain forced Japan to withdraw from Shantung. At other times the erstwhile rivals joined hands in extracting concessions from the browbeaten Chinese Government.

The policy retained its usefulness until 1931, when the Nipponese "brain trusters" realized that Europe was too pre-occupied with her own squabbles to engage in a war to protect her interests in the Orient. This discovery led to the separation of Manchuria from the mother country; the subsequent occupation of Jehol, Chahar and Hopei, and the present attempt to force the National Government to adopt a pro-Japanese orientation.

The seriousness of the current crisis is accentuated by the momentous developments in Europe which preclude practically all hope of foreign support to China in her hour of need. Ivan the Muscovite, alarmed by the Fascist shadow over Europe, is willing, for the moment, to let the uniformed Samurai have their way in this country. John Bull, desperately arming himself to the teeth in anticipation of the coming struggle for power, can do no better than attempt to restrain Japan by offering a loan to Nanking or by concluding an argeement with Nippon for the division of China into spheres of influence. Uncle Sam, standing aloof in a world gone mad, will, because of domestic considerations, under no provocation use force to block Tokyo's Imperial designs in East Asia. Of the three foreign powers most interested in the current Oriental drama, two are thus prevented from playing an active role in it by the developments in Europe.

China's national destinies undeniably depend upon European political winds. If the impossible happens, and the European skies are cleared of war clouds, China will receive the much-needed assistance in resisting Japanese demands. If not, —and miracles are infrequent in modern politics, —China will have to face Nippon alone. Let us see then what the political barometer reads!

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Europe's current crisis can be traced back to Sept. 18, 1931, when Japan dealt a well nigh fatal blow to the system of collective security. The system was evolved about 15 years ago by the war-weary victors, to assure the maintenance of the status quo. With the inclusion of Germany and Russia in the League of Nations, and the acceptance of the more important of the Reich's demands, the system became the sole guarantee of European peace.

The Manchurian interlude, however, had demonstrated to the stunned world the unwillingness of the Great Powers to uphold the principle of collective security when it involved them in an armed clash with a powerful foe. Less than five years later the Mukden incident was echoed in the mountains of Ethiopia, thus sounding the death-knell of the League and the system.

With the rape of Ethiopia, Europe began to approach a Marxian picture of the last stages of Capitalism. The world witnessed the emergence of two bitterly opposed forces: on the one side Fascist Germany, armed to the teeth and eager to re-establish her Aryan pre-eminence in European politics; on the other, the State-Socialist Russia, also well-armed, but anxious to be left in peace to continue her internal economic development.

As long as Hitler devoted his attention to the remilitarization of the Rhine and the seizure of Danzig, to Jew-baiting and the rearmament of the nation, all remained well. His preliminary program achieved, however, the Reichsfuehrer had to,—as all dictators must,—look for new adventures which would keep Germany's mind off the grim economic realities confronting her. The lure of the Ukrainian wheat, as well as the knowledge that an anti-Soviet crusade would draw powerful support in Europe and Asia, made the selection of Russia as the object of his attention natural.

The alignment of European nations between the two camps progressed at a rapid pace after that. The "Big Five" of Europe launched a bitter struggle for the allegiance of minor countries. Some nations, formerly sympathetic to Germany, redrafted their policies in exchange for huge French credits for rearmament. Others, once among France's most faithful vassals, began to flirt with Rome and Berlin, in the hope of securing a slice of Russian and Czechoslovakian territory on that improbable day when the Fascist armies goose-step across the Soviet border.

Italy, coming to grips with England and France during her Ethiopian adventure, last month definitely linked her destinies with Germany, whom in 1915 she deserted for £15,000,000 paid by the Bank of England. The union between Rome and Berlin could have been predicted at the very outset of Il Duce's campaign, for in carving out an Empire for herself on the dark continent,

Italy had crossed Great Britan's "life-line" to India and France's colonial route. Searching for allies, Berlin courted Mussolini's favor during the hostilities, actually doing very little to enforce the London decreed anti-Italian embargo.

Going over into the German camp, Italy brought with her Austria and Hungary, whose bills she has footed for the past two or three years. Hungary's dictator, Regent Horthy, had already once informed Herr Hitler, in a personal interview, of his country's readiness to attack Czechoslovakia when Soviet troops cross the latter en route to Berlin. This gave Germany a bloc of four powers, which could act as a unit in international affairs. It can confidently be predicted that their ranks will soon include a Fascist Spain.

In the other camp, Russia can also boast of one major ally, France. Faced with the choice of a traditionally hostile Germany and a Communist Russia, Paris gave her heart to the Red Moujik. This move was made easier by Stalin's decision to pay more attention to the strengthening of the economic backbone of his own country than to what the Bolsheviki call "The World October". Reading correctly the European political barometer, the Kremlin was as anxious to abandon its former proletarian aloofness and make the famous Maginot line the first line of Moscow's defense in the forthcoming struggle with the Reich.

However, the Russo-French joint front is developing cracks, the seriousness of which cannot yet be gauged. The alliance, nursed to life by the late Foreign Minister Barthou, was brought to manhood by the Front Populaire, which is rooted in the belief that common hate for Fascism makes good bedfellows out of Socialists and Communists. The recent rift between the two factions disproves this. The Socialists are jealously watching the Communists' efforts to expand their following. The Communists, on the other hand, do not hide their dissatisfaction with Premier Blum's lukewarmness in carrying out social reforms and actively aiding Spain. A serious crisis is imminent, and its outcome cannot be fathomed at this time. It appears likely that M. Blum would vacate the premiership in favor of a less radical politician, who would be willing to listen to Herr Hitler's advances.

The Reichsfuehrer's rumored intention to propose to Paris the conclusion of a 25-year non-aggression pact, guaranteed by Italy and Great Britain, may simply be a smoke screen for his new designs in Europe. It might, on the other hand, be motivated by a desire to drive a wedge between France and Russia, as a prelude to a new Drang nach Osten. Italy's concurrence with Herr Hitler's anti-Soviet holy crusade was indicated last month at the interviews between Count Ciano and the Wilhelmstrasse leaders.

The new crisis has also left its imprint upon the Little Entente. The latter originally came into being for two reasons: because Roumania, Yugoslavia and Czechoslovakia wished to protect their new territory torn away from Austria-Hungary, and because France needed an anti-German bloc in the Balkans. This bloc is now rapidly disintegrating under the influence of Fascist ideas and money.

Roumania, governed by the habitually inebriated King Carol, is beginning to lean heavily towards her best grain and oil market, Germany. Titulescu, an ardent friend of France and the chief advocate of alliance with Russia, has been disposed of. Fabrizius, the Transylvanian Hitler, has become a power, gradually pushing Roumania towards Berlin.

Yugoslavia, once Il Duce's bitter foe, is also beginning, under the pressure of economic forces, to look with favor upon her Fascist wooers. Her agricultural products have already been given preferential treatment in Germany, while the fact that Belgrade is placing its munitions orders with Krupp and not with Schneider-Creusot shows in which direction the wind is blowing.

Czechoslovakia, dotted by airdromes ready for Soviet bombers and dissected by a strategic railway, alone remains faithful to the Franco-Soviet alliance. Soviet officers are reported to be studying the Czechoslovakian terrain, while a large number of the Republic's Army planes bear the Soviet trade-mark. Yet, Czechoslovakia is in a desperate position. On three sides she is fringed by definitely hostile powers: Hungary and Austria, whom she robbed of territory; Fascist Germany; and Poland, with which she has differences over the Teschen district. On the fourth side lies Roumania, whom Moscow's refusal to recognize her sovereignty over Bessarabia is gradually driving into the Fascist camp.

In addition, Czechoslovakia is beset with domestic difficulties. Of her population of 14,000,000, more than 3,000,000 are Germans, organized in Nazi cells and receiving orders from Berlin. Another important, but hostile minority, are the 750,000 Magyars, torn away from Hungary. The third hostile group are the Ruthenians, numbering nearly 500,000. Having no outlet to the sea, Czechoslovakia is dependent upon her neighbors. Until a year or two ago her best customers have been Germany, Austria, Great Britain and Hungary, in the order named. Her principal imports came from Germany, Austria and Poland. It is easier to combat ideas than economic forces, and the latter are gradually driving Czechoslovakia into Germany's arms.

The Balkan League, which includes Bulgaria, Turkey and Greece, today receives its money and orders from London. British diplomats won Turkey over during the recent conference on the

remilitarization of the Dardanelles, when Kemal Ataturk deserted his Moscow friends and gave Great Britain a contract for the erection of new fortifications in the Bosphorus. Greek sympathies were won with the return of the King to his throne and Italy's conquest of Ethiopia. It appears, however, to be quite likely that the entire Balkan League would forsake the Union Jack and pounds sterling for a swastika and marks.

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Poland, ruled by a group of colonels, ready to sell their sword and soul to the highest bidder, is at the moment being subsidized by France. The recent accord signed in Paris by Marshal Rydz-Smigly, however, failed to arouse any indignation in Berlin, thus indicating that Warsaw has not yet entirely snapped the ties linking it with Germany. Poland is in the unenviable position of a buffer between the two main contending forces of the contemporary world. Financially, she is with France, at least today. Politically, she is with Berlin, for the fertile plains of Ukraine have always loomed in the background of her foreign policy.

The most startling development in the current process of realignment was the Belgian desertion of the Russo-French bloc. Convinced that Germany intended to attack the Soviets, and equally well aware of the ineffectiveness of the collective security system, King Leopold has in effect adopted a policy of "splendid isolation." The Franco-Belgian alliance still remains in force, but it is apparent that Belgium will not be found in the French camp when Der Tag comes.

The King's decision to seek safety in heavy guns rather than in international agreements had several significant aspects. First of all, it served France with a warning that her carefully-built system of alliances was crumbling under the German and Italian pressure. It also foreshadowed the establishment of a Fascist regime in Belgium, with King Leopold in the role of Der Kleiner Reichsfuehrer.

There remains only the mysterious Albion, fully aware of the significance of the current developments, but as yet unwilling to commit itself. Italy's African adventure marked more than a loss of "face" for Great Britain. It endangered her control of Egypt and Palestine; it also enabled Il Duce to dictate his own terms to London, fearful for the safety of its enormously important route to India, Australia and the Orient.

Great Britain's final decision will not be made until after the solution of the Spanish riddle. Red Spain would be a constant menace to Gibraltar, to her African Empire, to her possessions in Asia Minor. Spain gone Fascist would mean Italian and German control of the Mediterranean, and the loss of Portugal, a vital link in the British Imperial air routes. Traditional friendship, and possibly a secret alliance, with France demands benevolent neutrality towards the Madrid Government. Fear of Italy prohibits it. Thus London is seeking the way out in rearmament. The recent report of the British purchase of 1,000 fighting planes in the United States is probably not true; but it very well can be.

The events, however, seem to show that Great Britain's conservative Government regards Gen. Franco's Moors and Legionnaires with more sympathy than Catalonia's anarchists and syndicalists. This was indicated by the continuation of the British arms embargo, which hits no one but the Madrid Government; by the submission of a note to the non-interference committee listing three Soviet offenses against the embargo agreement and only one Italian; by allowing her faithful vassal Portugal to become the rebels' main foreign base; and, finally, by the definitely anti-Soviet attitude taken by her representatives at the non-interference committee.

⁂

The war between the Leftist powers, France and Russia, and the Fascist nations, Germany and Italy, has already begun on the battlefields of Spain. The fortunes of war, despite Moscow's frantic efforts to stem the tide, are definitely swinging towards Fascism. But the Fascist victory in Spain will merely serve as a curtain-raiser for the next act in the momentous international drama, possibly an open war between the two major contending forces.

The picture is admittedly not cheerful. It is even less reassuring to the leaders of the National Government, who see in it no promise of foreign support against Japan's designs in East Asia. To Nippon, however, the augury is lucky. Undoubtedly having a military understanding with Germany, Japan is ready to launch a war on the Soviet Union as soon as China is sufficiently inculcated with the spirit of pro-Nipponism. It is with the knowledge that war with Russia is unavoidable that Tokyo insists on China's assent to the formation of a joint anti-Communist front. If China is to find salvation, she must find it by her own means.

Shanghai Settlement Factory Issue Discussed in I. I. A. Pamphlet

A pamphlet issued this week by the Institute of International Affairs, Nanking, written by Sih Tien-tsung, research fellow of the Institute, points out that the only intention prompting the Chinese authorities to work toward the application of the Factory Act in the area controlled by the S. M. C. is to protect the workers as well as industry. The writer rejects the allegation that the Chinese Government is merely attempting to extend its administrative control into the International Settlement by championing factory inspection. As a result of the veto made by the Consular Body against the original factory pact concluded between O. K. Yui, Secretary-General of the City Government of Greater Shanghai, and Stirling Fessenden, Secretary General of the S. M. C., a deadlock is now holding up the early enforcement of factory inspection in the Settlement. It is reported that the new compromise plan suggested by Mr. Fessenden is now under consideration at Nanking. This suggestion proposes that the Council would write its own factory inspection regulation based on the underlying principles of the National Factory Act.

Madrid on the Eve of Capitulation

RECENT telegrams from Europe indicated that by the time this issue of *The Review* has reached its readers, Madrid, the capital of Spain, will have fallen into the hands of the insurgents, as the result of a combined attack from the Southwest. It was planned to have 110 planes drop bombs on the defence works, and the headquarters and barracks inside and outside Madrid. Simultaneously, there was to be heavy artillery bombardment, with tanks, followed closely by waves of African infantry surging forward in an attempt to carry the advance to the heart of the capital. The Nationalist forces comprise 20,000 Moors and Foreign Legionaries in addition to European cavalry and thousands of civil volunteers. They are equipped with 100 triple-engined bombers, several fast chaser planes, a large quantity of artillery comprising heavy and light batteries, and thirty heavy tanks for street fighting. General Varela's forces were expected to be the first to enter Madrid. The Nationalist line on Nov. 2 rested on Navalcarnero, Moraleji, Humanesa, Parla, Valdemore and Cienpotuelos. Parlar was the most advanced point, only three miles from Getafe, the air port of Madrid and nine miles from the capital itself, on said date.

Russian Soldiers Captured by Spanish Rebels

"Three hundred newly-arrived Russian soldiers, who do not speak a word of Spanish," were among the prisoners captured Oct. 29 in the fighting around Madrid, a communique issued by the headquarters of Gen. Varela, the rebel commander who relieved Alcazar, stated.

Italian allegations concerning deliveries of Soviet planes to the Spanish loyalists were emphatically denied in one of the two notes sent by Moscow last week to the Non-Interference Committee.

Europe Too Muddled to Take Interest in Far East, Says Yoshizawa

European unrest is preventing the successful calling of a world economic conference in the opinion of Kenkishi Yoshizawa, former Minister to China and Foreign Minister, who returned to Japan end of last week from a three-months tour of the United States and Europe. "It would be useless for the United States, Japan and Britain to plan such a meeting so long as the situation in Europe remains as muddled as it is to-day," the retired diplomat said.

The main purpose of his conversations with leading statesmen in Paris, London and Berlin, Mr. Yoshizawa continued, was to "sound the state of mind of Europe in relation to the Spanish uprising." "In the opinion of those men, the situation in Europe to-day contains enough elements to start a war, but hostilities are unlikely to break out for several years to come. This view seemed to be shared by most people."

Singapore Naval Base Criticized by Lord Rothermere

The weakness of the Singapore Naval Base should be cause for grave concern to the British Government, Lord Rothermere declared in a statement to the press in Singapore Oct. 28. Such a fortress, he said, means that at least 30 or 40 submarines, 10,000 troops, and 25 or 30 squadrons of aircraft should be stationed there.

He spoke in glowing terms of the naval and military base at Honolulu, adding that Singapore hitherto was a typical example of the ebb and flow policy, resulting in what was originally intended to be Britain's stronghold in the Far East being to-day modified to little value in a large-scale war.

Martial Service for Turkish Women in Prospect

Compulsory military service for Turkish women is again under consideration, according to Istambul newspapers. It is expected that legislation on the subject will be introduced at the present session of Parliament, which Kemal Ataturk, the President of the Republic, opened Nov. 1.

Coup de Etat in Baghdad—British Troops Stand By

A *coup d'etat*, accomplished without bloodshed, occurred in Baghdad, the Iraquian capital, Oct. 29 where the Prime Minister, General Yasin Pasha, was forced to resign. Two battalions of British troops in Palestine and two in Cairo are standing by in view of the developments at Baghdad.

A virtual military dictatorship has been established in Iraq. The man behind the scenes is Gen. Bekr Sidky Bey, an ambitious and strong militarist, whose name did not appear in the list of Cabinet appointments. It is anticipated that the new Cabinet formed by Hikmat Salaiman will enforce a general conscription law. If so, there is likely to be trouble, as all tribes are opposed to such a step. Sidky Bey is known to favor ruthless methods.

General Jafar Pasha el Askari, "strong man" of Iraq, until the *coup d'etat* last week is understood to have been shot dead at Baghdad. He was reported to have gone into hiding after the coup d'etat.

Royal Commission for Palestine Due in Jerusalem Nov. 11

The Palestinian Royal Commission will leave England end of this week, and is due in Jerusalem on Nov. 11. The High Commissioner for Palestine declared Oct. 29 that in order to ensure the future development of the country, a solution satisfactory to both the Arabs and the Jews must be found. The Jewish and Arab boycott movements were both condemned. These statements were taken as indicating that the British policy of compromise will again be attempted without important changes. According to reports from Arab circles, the Premier of Iraq, Jassin Pasha, and Foreign Minister Nurt Pasha both intend to appear before the Royal Commission to defend the claims of the Arabs.

Casualties suffered by all participants in the Palestine disorders up to Oct. 15 were announced in the House of Commons Oct. 29 as follow:—Moslem, 955 wounded, 187 dead; Jews, 388 wounded, 80 dead; Christians, 65 wounded, 10 dead; British Navy and Air Force,—125 wounded, 21 dead.

British Reserve Troops to Leave Palestine

The British War Office announced Nov. 2 that the reservists of the section of the Royal Army Reserve which was recently called up for service in connection with the reinforcement of the British garrison in Palestine, are to return to England.

Germany's Gold Said "Stolen" by War Reparations

"We want to share in the world's raw material sources and shall get them," Gen. Hermann Goering, director of Germany's Four-Year Plan, declared in a speech at the Sports Stadium in Berlin Oct. 28 on the Four-Year Plan. Gen. Goering referred scathingly to the suggestion that Germany should buy her raw materials. "We would do so," he declared, "if they had not stolen our gold by reparations." Germany's population, he asserted, was as dense as Britain's but Britain had the whole world as her colony. If Germany had a small portion of such colonies, there would be no shortage of food and raw materials. In the meantime, Gen. Goering appealed to the Germans to tighten their belts and work harder.

Italians and Portuguese Absolved by Non-Intervention Committee

The International Non-Intervention Committee Oct. 28 found Madrid's charges of neutrality violation against Italy and Portugal, and the Soviet Union's charges against Portugal, either lacking in proof or actually disproved by later evidence presented by the accused countries. Several points in the Madrid and Soviet protests were rejected completely because they referred to events which were alleged to have taken place previous to the formation of the Committee.

Shortly after the announcement of the Committee's decision, against which the Soviet delegation protested, the Soviet Ambassador to London released a sarcastic reply to Portugal's note to the Committee of October 24. The Portuguese charges against the Soviet Union, the reply asserted, were a "malicious misrepresentation of the truth." All Portuguese charges of Soviet intervention in Spain were denied, as well as alleged Soviet attempts to foment a Spanish-Portuguese war. "If the insurgents win in Spain," the Soviet Ambassador said, "not only Spain will suffer internal disaster, but the whole outlook for Europe will be darkened to the last degree. A terrible military catastrophe will engulf our part of the world in the near future."

Mussolini Denounces "Four Illusions"—Will Let League Die Peacefully

"We are rejecting four illusions"—disarmament, collective security, indivisible peace (which can only become indivisible war) and the League of Nations, declared Premier Benito Mussolini in a highly significant speech in Milan Nov. 1 before a large crowd of supporters. Elaborating on the last "illusion," Il Duce proclaimed: "As it is impossible for the League to renew itself, we may, insofar as we are concerned, let it die peacefully.

President Lin Sen Says Entire Nation Must Be Armed

The significance of military conscription was dealt with by President Lin Sen in an address at the weekly memorial service at National Government House in Nanking Nov. 2. The entire nation, he said, must be armed and given military training so as to consolidate the national strength and facilitate the work of national salvation. President Lin also emphasized that the conscription system is adopted by the Government with a view to strengthening the national defences. The people must realize that military service is a glorious duty for the defence of the State, he added.

Shanghai Commerce Chamber Dinner to Be Held on November 20

The American Chamber of Commerce and the Chinese-American Trade Council will hold this year's second gathering at the American Club in Shanghai, Friday, Nov. 20. Approximately 300 Chinese and American business men are expected to attend the banquet. On the same day, the National Foreign Trade Convention will be in session in Chicago, and arrangements are being completed between the two groups for an exchange of messages.

Don't Forget China's Humiliations, Warns Gen. Chiang; Japan's China Policy "Inflexible"

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Gen. Chiang Pays Glowing Tribute to Mother in Birthday Message.**
2. **Nanking Lodges Three Protests With Japan Embassy in One Day.**
3. **Japan to Stick to Original Demands on China, Says Suma.**
4. **Tokyo Journal Declares Japan's China Policy "Inflexible."**
5. **Gen. Chiang Declares China's Diplomacy Based on Self-Reliance.**
6. **Sino-Japanese War Will Ruin Both Countries, Warns Gen. Han Fu-chu.**
7. **Manchukuo Agents Arrested in Tientsin for Plotting Disturbances.**
8. **Threat of Invasion of Suiyuan by Manchukuo Troops Revived.**
9. **Marshal Tuan Chi-jui Dies at Shanghai After Long Colorful Career.**
10. **Kwangsi Authorities Announce Adoption of Legal Tender November 1.**

"Don't forget China's present humiliations nor lose sight of her future difficulties," declared Gen. Chiang Kai-shek, president of the Executive Yuan and chairman of the Military Affairs Commission, to the nation at the birthday celebration meeting held in his honor at Loyang Oct. 31, according to *Central News*. "So long as we have not recovered our lost sovereign rights and restored our territorial integrity," he said, "we will never be free as a people nor independent as a nation." "So long as I live I will never forget my revolutionary will of reviving our nation. I vow to exert my best to cooperate with our compatriots in marching ahead courageously as so to realize the Three People's Principles and to complete the national revolution".

To hasten national recovery and rejuvenation all traitors of the nation should be eliminated, especially the communists, declared Gen. Chiang Kai-shek, in a speech Nov. 1 at the Loyang branch of the Central Military Academy. As the rise of fall of a nation depends upon whether the people, one and all work hard enough, it needs now the combined efforts of all Chinese citizens to hasten national rejuvenation, Gen. Chiang emphasized.

The celebrations at Loyang in honour of General Chiang Kai-shek's 50th birthday began at dawn Oct. 31, when gun salutes were fired and fire-crackers set off. The Generalissimo himself gave a breakfast party. When the candles on a huge birthday cake were lighted, they threw a glow on the faces of a significant group, including General Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, General Fu Tso-yi, chairman of Suiyuan, General Hsu Yung-chang, commander of the bandit suppression forces in Shansi, Gen. Chang Hsueh-liang, deputy Commander of the Communist-suppression forces in the North-west, General Shang Chen, chairman of Honan, and General Liu Shieh, Pacification Commissioner of Honan, who arrived at Loyang Oct. 30. The visiting generals gave a birthday lunch in honour of theGeneralissimo and left Loyang to return to their respective posts on Nov. 2.

Gen. Chiang Kai-shek issued a message Oct. 30, thanking his compatriots at home and abroad for their presentation of aeroplanes to the Central Government in honour of his 50th birthday anniversary. In his message, the Generalissimo expressed gratification over the unprecedented enthusiasm shown by the Chinese people in all parts of the country, and in every corner of the world, in raising funds for the strengthening of China's air force. Many of them, Gen. Chiang said, went so far as to economize on their food and clothing, or draw out all their savings to make possible their contributions. The Generalissimo in his message applied to all officers and men of the Air Force to take cognizance of the high hopes their countrymen entertain in them to carry out the task of national salvation through the nation-wide presentation of planes. He also exhorted them to do their utmost for the country by utilizing the gift planes as best they can to safeguard the independence and liberty of China.

GENERAL CHIANG PAYS GLOWING TRIBUTE TO MOTHER IN BIRTHDAY MESSAGE

The Generalissimo supplemented this message with a lengthy review on "Some Reflections on My Fiftieth Birthday," which in part reads as follows:—

Having devoted a good portion of my life to the cause of the Revolution, but before accomplishing one-hundredth part of the work I wish to do for my country, I find myself at the age of fifty. Educated and maintained by the State for more that 30 years, I have, ever since manhood, enrolled myself in the army and dedicated myself to the cause of national revolution. My debt to the country is great indeed. I recollect now the counsel of my teachers, the assistance of my comrades, and the heroism and sacrifice of my colleagues. Among such deep impressions is the indelible memory of my mother, who endured so much in educating and bringing up the fatherless boy. Now, while the trees by her grave have grown tall and thick, I cannot but realize how little I have accomplished, and how I have failed to live up to the hopes that she had cherished in me. The difficulties confronting the Party and the State are numerous, the misery of the people is still great, and the road to recovery is long. It makes me ashamed to think that I have allowed time to slip by without accomplishing my duty. I was born in a little village where my grandfather and my father maintained a farm and pursued their studies. Through sheer diligence and frugality, they had acquired a little wealth. My father died when I was nine years old. Since then, my family has had to undergo all sorts of difficulties and tribulations. It was entirely due to my mother, her kindness and perseverance, that the family were saved from utter ruination. With an iron determination, she boldly undertook to save the family from its last ruins and, with the same determination, she calmly but resolutely undertook to bring up the children in a proper manner. Her task was neither light nor enviable, for every trifle she had to look after with her own hands. In my youth I was rather mischievous and full of youthful apprehension, and would never endure any instructions of great severity. I became as helpless as a child in my early age for I was always ill-treated by other boys.

Having reached manhood, I decided to go abroad for a military education. At first, many of our kinsmen and neighbours were hostile to my decision. They certainly would have prevented me from carrying out my wish had it not been for my mother's resolute will and her every effort to supply me with the necessary funds. Later, when the general principle of our national revolution became more deeply rooted in my mind, I decided to dedicate myself to the Party and the nation—a step which involved much difficulty and subsequent dangers. At that time, all my relations restrained themselves from communicating with me. The only one who still believed in whatever I had undertaken to do, and would do everything to help me, spiritually and materially, was my mother. At the time of the establishment of the Republic, I found myself at the age of 25. By then I had been able to improve our home for my mother and to gratify her wishes a little. Unfortunately, the establishment of the Republican form of government was not followed by the establishment of perpetual peace. Already internecine conflicts among warring militarists had occurred all over the land. In such circumstances, the application of Party principles was absolutely impossible, and for a time the cause of the revolution seemed hopelessly lost. At this critical time, my mother again came to me with valuable advice. For a period of seventeen years—that is, from the time I lost my father at the age of nine till I was 25 years old—my mother had never spent a day free of domestic difficulties. At the first disappointment I encountered in the early days of the Revolution, my mother again came to my aid. She taught me how to make the principle of filial piety applicable to the whole nation. She told me to recall to mind how we overcame our home difficulties in the earlier days, and wished me to apply the principle in a broader sense—in a national sense—so that injustice and oppression might for ever disappear from human history. All these good words were said by my mother with the purpose of guiding my life in this world. Although it has always been my ardent desire to do everything in accordance with my late mother's wishes, yet so far I have not been able to live up to her great expectations. Such is the great debt I owe to my country, and such is the great debt I owe to my mother.

The latter 25 years were equally difficult, for upon my shoulders has fallen the great task of national salvation. All these long years of hard struggle appear to me as if they were happening yesterday. As the reflection on things gone by inevitably throws light upon the things to come, I take this opportunity to dwell a little further on the principles whereby a nation may establish itself. There is a proverb which says:—"From the family is built a nation." The cause by which a family rises or falls can be equally applied to a nation. Whether a nation perishes or flourishes, it all depends upon the endeavour and determination of its people. The past 100 years have witnessed a number of nations establishing themselves after years of hard struggle, and these nations have set us a noble example to follow. If we can keep on struggling with a singleness of purpose, we are sure ultimately to triumph over our difficulties.

Ever since the death of Dr. Sun Yat-sen in 1925, China has encountered numerous disasters both from within and without. The country first was over-run by Communists. Ensuing came a series of foreign aggressions which resulted in the loss of the Three Northeastern Provinces. In the midst of these disasters and sufferings, which covered a period of ten years, and which endangered the very life of the nation, the people began to lose confidence in their leaders and, in turn, to lose confidence in themselves. The situation undoubtedly was critical, and the crisis confronting the nation was unprecedented in our history, but in spite of this I still cherish great hope; I find despair neither in the defeat of international justice nor in our own apparent impotence. My hope lies in the revival of our old national traits of self-reliance, self-improvement and self-consciousness. Our late leader, Dr. Sun Yat-sen, once said that the existence of China as a nation depends entirely on following the line of her destiny. We should not imitate the superficialities of the West, nor plagiarize the doctrine of might of the imperialistic nations. The eight great virtues—loyalty, filial piety, kindness, love, faithfulness, righteousness, peace, and justice—are in accordance with the true spirit and time-honoured characteristics of the Chinese race. Filial piety is particularly emphasized in the testaments of our late leader. We should, therefore, observe filial piety one as of our fundamental principles in rebuilding the nation. The Chinese nation has had a very long history and a glorious civilization. No nation can ruin us unless we first ruin ourselves. If each one of us recognizes his own weakness and endeavours to correct himself accordingly, he will have no difficulty in removing any obstacle he may encounter in life, and, if we can do this collectively, we can remove all obstacles confronting the nation. I am always mindful of two things—that, so long as the people are still in distress, I have not fulfilled my mother's long cherished wish, and that, so long as the task of national salvation is not yet accomplished, I shall be responsible for the distress and sufferings of the people. Therefore, I sincerely appeal to my countrymen to help me fulfill any mother's ardent wish—to fulfill the great task of national salvation.

NANKING LODGES THREE PROTESTS WITH JAPAN EMBASSY IN ONE DAY

All in one day (Oct. 30) the Waichiaopu has made three strong representations with the Japanese Embassy in Nanking. The three documents are in protest against, first, the extensive maneuvers of Japanese troops in Peiping and Tientsin, second, the forcible occupation of a Chinese house in Taiyuan by the Japanese, and third, malicious speculations in the Japanese press on the assassination of Gen. Yang Yung-tai.

In the first protest against Japanese war games in North China the Waichiaopu holds that such maneuvers not only infringe upon China's sovereign rights but also violate international law and practice.

The second Chinese protest is against the forcible occupation of a Chinese house in Taiyuan. According to reports, two Japanese, one named Muta and the other Tanaka, got access to the house through a Chinese who had made verbal arrangements for a lease with the owner. When the owner insisted on a proper shop guarantee, the middle man disappeared. Whereupon Muta and Tanaka made themselves masters of the house, claiming they had subleased it from the middle man. For a few days Muta was away in Tientsin but on Oct. 26 he returned to Taiyuan to occupy the house. On the following day the local authorities in Taiyuan, sealed up all immovable property in the house, while Muta was escorted to the Japanese Consulate in Chengchow. Tanaka the other Japanese, soon organized a party of five Japanese, all armed with pistols, forcibly removed the seals and took possession of the house again. Japanese reports that there was an anti-Japanese demonstration in Taiyuan and that the Shansi officials have evicted a Japanese merchant from his premises are factually incorrect.

The malicious speculation in the Japanese press concerning Governor Yang Yung-tai's death formed the subject of the third Chinese protest. The protest particularly called on the Japanese authorities to checkmate such wild guess-work which amounts to an insult to the Chinese people.

JAPANESE VERSION OF SO-CALLED TANAKA INCIDENT IN TAIYUAN

Japanese residents in Taiyuan were gathered at the house of Lieut.-Col. Etsujiro Kohno, chief of the Japanese military mission in the Shansi capital, Oct. 29, when alleged anti-Japanese demonstrations were staged in the city, according to a *Domei* report Oct. 29. The demonstrations, it was stated, were the outcome of a mass meeting at which Shansi's declaration of allegiance to the Nationalist regime was celebrated. More than 6,000 troops and armed students took part in a parade. Agitators, spoke to the crowd, denouncing "Japan and her tools." The audience broke into groups who paraded the streets, shouting "Drive the Japanese out of Shansi," and "Down with Sung Cheh-yuan," who was denounced as a "running dog of Japan."

Determined measures to put an immediate end to the reported anti-Japanese movement in Shansi were studied Oct. 29 by the Tokyo Foreign Office. It has already been decided to instruct the Ambassador to enter a protest with the Chinese Government, whilst Denjiro Kato, First Secretary of the Japanese Embassy in Peiping, is to lodge a vigorous protest with the Shansi provincial authorities.

Formal apologies of the Shansi Provincial Government for the so-called "Tanaka incident," were tendered Nov. 1 to Yoshigoro Nishi, student interpreter of the Foreign Office stationed in Taiyuanfu, reported *Domei* Nov. 2. The case, however, has not yet been settled, and the negotiations are being continued between Mr. Nishi and Lieut.-Col. Eitsujiro Kohno, head of the Japanese Military Mission in Taiyuan and the provincial authorities.

The Tanaka "House incident" in Taiyuan is still in a deadlock with no prospect of early settlement, according to *Central News*. A new wooden sign board, which states that the house is now under the control of Japanese military officers in Taiyuan pending a proper settlement of the case, is now hung on the door of the house forcibly occupied by Tanaka and several other Japanese, and Chinese authorities are debarred from entering it. Chinese officials are naturally not recognizing the Japanese ownership of the house. The Shansi authorities, it is pointed out, have never recognized Japan's rights to maintain officials in Taiyuan which is not a treaty port.

A Japanese merchant, residing outside the Taiping Gate in Changsha, capital of Hunan, was injured on the night of Nov. 1, eight knife wounds being found on his body, according to a *Central News* report. As soon as the case was known the Japanese was rushed to a hospital where he is receiving medical care. The bedroom of the Japanese is on the third floor of a building where there are now Chinese residents. Police discovered that the gate was well-locked and no damage was found done to the residence. His house cook, however, is now being detained by the Bureau of Public Safety for questioning.

As the protests filed by the Chinese Government with the Japanese Embassy regarding the Japanese military manouevres in the Peiping and Tientsin area and the forcible occupation of a Chinese house at Taiyuan, the capital of Shansi, by fire armed Japanese, have not been answered, the Foreign Office contempiates the lodging of further protests.

JAPAN TO STICK TO ORIGINAL DEMANDS ON CHINA, DECLARES SUMA

Japan's policy toward China remains unchanged, the instructions of the Japanese Government which I am conveying to S. Kawagoe, Japanese Ambassador to China, are nothing new, as the Tokyo authorities have decided to stick to their original claims and will not make any concessions." Thus declared Mr. Suma, Japanese Consul-General at Nanking, in an interview with a representative of the *Central News Agency* shortly after his arrivel at Shanghai from Japan Oct. 31. It is quite difficult, Mr. Suma continued, to forecast whether the Sino-Japanese situation would be peacefully settled. However, he believed a breakdown of the present negotiation will be unlikely, explaining that there is still room for an amicable solution.

Interviewed by *Reuters* on his way to Kobe from Tokyo Oct. 28, Mr. Suma declared that he was taking back instructions from Mr. Arita, Japanese Foreign Minister, aimed at securing "China's better comprehension of Japan's views." "The fundamental spirit of the instructions," he said, "is that the Japanese claims have remained unchanged from the first. There is no other course than to pursue the objects sought from the beginning." "I hope," he added, "that the Chinese will soon respond to the immutable, solid attitude of Japan in such a way as to bring the negotiations to an amicable conclusion."

This statement confirms the belief that the instructions to Mr. Kawagoe reiterate that Japan adheres to the necessity of effecting a fundamental readjustment of Sino-Japanese relation on the basis of the Japanese claims already presented. If the Nanking Government continues its policy of delaying a settlement, Japan, it is believed. will abandon her present attitude of realizing a readjustment through diplomatic negotiations, and may be compelled to take independent action.

"Petty opportunism" will be shunned by Japan in her efforts to bring to a successful conclusion the negotiations with the Chinese Government for a basic readjustment along the whole front of Sino-Japanese relations. Mr. Suma told Japanese reporters in Nanking Nov. 1. "We are determined to conduct our share of the negotiations in a manner befitting the dignity of a great nation, for we believe this to be the desire of the entire Japanese people," he added.

TO KYO JOURNAL SAYS JAPAN'S CHINA POLICY "INFLEXIBLE"

Japan's China policy is inflexible if the instructions being sent to Mr. Kawagoe, the Japanese Ambassador, by Mr. Arita, the Japanese Foreign Minister, are as reported by the *Chugai Shogyo* Oct. 28. The journal says that the instructions which are being conveyed to Mr. Kawagoe by Mr. Suma contain the following points:—

1. There shall be no fundamental change in Japan's fixed policies.

2. As Japan's proposals concerning North China and joint-Sino-Japanese defense against Communism form the nucleus of the Japanese demands, agreement on these two points, at least in principle, is a *sine qua non* to the successful conscluion of the Sino-Japanese negotiations.

3. Full respect should be given to the Chinese attitude, and patience used in explaining the Japanese demands to the Chinese.

4. Though a certain delay is unavoidable, any deliberate attempt by the Chinese to delay the negotiations must be firmly opposed.

5. Though Japan desires the successful conclusion of the negotiations, make-shift attempt to achieve success through distorting Japan's fundamental demands should be rejected.

In spite of the engrossing interest in the internal political situation, Japan continues to watch the Sino-Japanese negotiations with the closest interest, according to a *Reuters* report. It is indicated at Tokyo that at his next interview with General Chang Chun, the Chinese Foreign Minister, Mr. Kawagoe, the Japanese Ambassador, will adopt a very cautious attitude concerning the North China and anti-Communist issues. Japanese leaders apparently are of the opinion that, because of the present European complexities, time is now in Japan's favour more than in that of the Nanking Government. The newspaper *Jiji Shimpo* doubts whether the result of the forthcoming Nanking conference will satisfy Japanese desires, but it states that an open rupture between the two countries is unlikely. The journal forecasts that the situation in the end will develop favourably for Japan, particularly on account of the entanglement of Soviet Russia in the Spanish crisis.

Japanese officials in Nanking gathered for another conference at 10 a.m. Nov. 2. The number of conferees was swollen with the arrival there of Major-Gen. Seiichi Kita, military attache; Rea - Admiral Osamu Sato, naval attache, and Mr. Akiyoshi Tajiri, first secretary. The naval and military officers arrived by train, while Mr. Tajiri flew from Shanghai. Others attending the meeting were consul-general Suma, Kaname Wakasugi, counsellor; Noritake Yoshioka and Eki Sone, third secretaries; Lieut.-Col. Tatsumi Amemiya, resident military officer, and Commander Saburo Nakahara, resident naval officer.

"You cannot deceive the people, much less can you oppress them," declared Hsu Shih-ying, Chinese Ambassador to Tokyo, when questioned as to the Chinese Government's attitude towards the Japanese proposals during a press interview at Tokyo Oct. 27, according to *Central News*. "What are reasonable, people will give their support, and what unreasonable, their opposition," Mr. Hsu added.

CHINESE DIPLOMACY TO BE BASED ON SELF- RELIANCE, DECLARES GEN. CHIANG KAI-SHEK

Interviewed regarding the Sino-Japanese situation at Sian Oct. 30, General Chiang Kai-shek, President of the Military Affairs Commission, said:

"The Government will, in pursuance of its settled policy, observe the necessary 'limit,' and negotiate with the Japanese authorities in a spirit of complete sincerity. The restoration of administrative integrity in Hopei province and the suppression of bandits in northern Chahar and eastern Suiyuan are indispensable from our point of view. In short, Chinese diplomacy will be based on the spirit of self-reliance with a view to defending the national interests. This policy will never be altered. China will never rely on the assistance of other countries, nor will she be restrained by other countries."

The Tokyo Government and press circles are giving closest attention to the latest developments in China. Such incidents as Gen. Chiang Kai-shek's flying trip to Sian and Loyang and his recent utterances, the unprecedentedly enthusiatic nation-wide reception of the Generalissimo's birthday anniversary, and signs of overflowing patriotic movement which is sweeping the country, all present a dizzy and stimulating effect when seen through Tokyo's eyes, according to a *Central News* report from Tokyo. Although reports of these happenings occupy prominent spaces in the papers, comments on them are noticeably lacking, and Government spokesmen in particulr are showing a prudence in committing themselves which is remarkable at this time.

NANKING SAID DIVIDED ON PROPOSAL FOR ANTI-JAPANESE FRONT

"On the question of the anti-Japanese People's Front the Nanking Government has split into two camps, "the Shanghai *Mainichi* declares in a lengthy editorial Nov. 3. "One camp," the paper states, "is headed by Gen. Feng Yu-hsiang and favors open support for the People's Front movement, while the other camp, that of the 'politico-scholasts,' opposes such support. To a large number of youthful officials the question is a fresh one, however, and they are considering the proposal from all angles. As for the attitude of Gen. Chiang Kai-shek, it must be said that the Generalissimo is now in a very difficult position. If he joins the People's Front movement and makes war on Japan, he will be damaged both militarily and economically. Meanwhile, the influence of the People's Front will greatly increase, especially that of the Communist wing, and this will constitute a threat to Gen. Chiang's regime. If, on the contrary, Gen. Chiang should suppress the People's Front Movement, he will lose the sympathy of the people and this will also be detrimental to his power. "The course which the Government has taken," the paper concludes, "is to effect a partial adjustment of Sino-Japanese relations in order to prevent a growth of the People's Front movement, while at the same time partially suppressing that movement in the sense of limiting its activities. This way of the Golden Mean is pursued by the majority of Gen. Chiang's closest supporters. "However, this is not an effective way, because Japan is opposed to any partial adjustment of Sino-Japanese relations. On the other hand, the People's Front movement will develop as a result of Gen. Chiang's policy of partial suppression.

The *Shanghai Nippo* Nov. 2 printed a report that Chen Ming-hsu, formerly Minister of Communications, who had been alleged to be travelling in the Southwestern Provinces since the collapse of the Fukien People's Government, in an attempt to carry on his anti-Chiang Kai-shek and anti-Japanese activities, has lately returned to China from a prolonged trip abroad. Due to the cancellation of the order of arrest against him by the Central Government, which was one of the conditions in the conciliatory agreement between Kwangsi and Nanking, he finally returned to his homeland with the tacit approval of the Nanking Government, according to the *Nippo*, because he refused to join in the late uprising of the Liang-Kwang Provinces against the Nanking Government upon the repeated persussion of Chen Chi-tang, formerly the Chief Commander of the First Route Army in Kwangtung, which showed his loyalty to the Central Government.

The Kuomintang and the Chinese Communist Party have again come to a point where their common interests are just as numerous as the points of friction, the *Shanghai Nippo* said Nov. 2. The editorial was devoted chiefly to the reported proposal of the C.P.C. to the Kuomintang to join hands on the basis of common opposition to Japan, the Reds allegedly asking for Nanking's assent to the concentration of the Communist Armies and their march on Suiyuan, the unification of Anti-Nipponese activities and the issue of a call for volunteers to fight Japan. Intent on fighting Japan instead of the Kuomintang, the Communists, according to the journal, have so modified their slogans that now they appear to differ but little from those advanced by the Kuomintang.

GEN. HAN SAYS SINO-JAPANESE WAR WILL RUIN BOTH COUNTRIES

War between Japan and China would be one of attrition, with both countries emerging from the struggle weakened and spent, Gen. Han Fu-chu, chairman of Shantung, said Oct. 29 in a discussion of Sino-Japanese relations, according to *Domei*. "Suppose Japan should occupy China's six eastern provinces," Gen. Han remarked, "it would take two divisions to hold each province. That would mean that twelve divisions would have to be in the field to occupy China's seacoast from Hopei to Kwangtung. Even if we retreat, we shall keep on resisting. The more Japanese troops advance into the interior, the more will they find fighting difficult. The war will not end for two or three years, and, while it is true that China will suffer, Japan also will be weakened. The Japanese people should not forget that affairs in Manchuria, because of geographical and racial considerations, do not rouse the same sentiments among us Chinese as events within the Great Wall. Should Japan use force in Hopei, or in Shantung, China will have no alternative but to fight."

GENERAL SUNG DENIES ANY SECRET AGREEMENT WITH JAPAN

General Sung Cheh-yuan, chairman of the Hopei and Chahar Political Council, denied Nov. 2 that the local authorities had concluded any secret agreements with the Japanese. All discussions concerning through railway traffic, through postal traffic and through air traffic were, he declared, continuations of negotiations which had started before he took office. He had maintained, he continued, that he would continue to follow a policy of protecting China's political sovereignty and territorial integrity. General Sung made this statement in the presence of Lieutenant-General Tashiro, commander-in-chief of the Japanese forces in North China, whom he entertained Nov. 2.

In the interview with the faculty members of Yenching University Oct. 28, General Sung Cheh-yuan stated that he has not signed any treaty whatsoever in connection with the Sino-Japanese affairs, nor shall he sign any, unless he is instructed by the Central Government at Nanking. He also denied the rumor concerning the signature for the air traffic agreement.

The headquarters of the Huitung Air Company, a joint Sino-Japanese concern for the operation of through air traffic between Manchuria and North China, will be established in Tangku instead of in Tientsin, according to latest reports. The actual operation of the air service will be started within three weeks after the headquarters of the company begins to function, as most of the landing fields and other necessary buildings are already in existence and need only small repairs to fit them for the purposes of the company.

MANCHUKUO AGENTS ARRESTED IN TIENTSIN FOR PLOTTING DISTURBANCES

The Chinese police in Tientsin, in collaboration with the French police, have arrested a Chinese named Chin, who is alleged to be the leader of a group of 20 men despatched to Tientsin from Manchukuo to create trouble during the absence of Japanese troops on manoeuvres. according to *Reuters*. Chinese circles state that the plotters intended to travel in motor-cars and set fire at random to buildings on the street separating the Chinese City from the Japanese Concession. Chin is at present being held by the French police.

Rumors of an impending *coup d'etat* by subversive Chinese elements led to the adoption of special precautions by the Chinese authorities at Tientsin during the night Nov. 3, according to a *Reuters* report.

the coup would originate, while members of the Peace Preservation Corps were stationed at strategic points in the Chinese city. Similar measures were taken in outlying districts, but nothing untoward has happened so far.

According to Chinese reports quoted by *Reuters*, the Japanese are building an airfield in Limingchwang, a village under the jurisdiction of the Tientsin Municipality. The magistrate has failed to persuade the Japanese not to build the airdrome and has petitioned the Hopei Provincial Government for instructions. It is expected that the Foreign Affairs Commission of the Hopei-Chahar Commission of the Hopei-Chahar Political Council will take up the matter with the Japanese authorities.

THREAT OF INVASION OF SUIYUAN BY BANDITS AGAIN REVIVED

The threat of an invasion of Suiyuan has been reviewd as a result of the steady westward advance of Manchukuo troops and their Mongol allies through Chahar, reported *Reuters* Nov. 3. According to Chinese sources, the main body of the Manchus under General Li Shou-hsin have reached Shangtu, while the Mongols under Wang Ying have arrived at a point even closer to the Suiyuan border. Large consignments of arms and ammunition are being moved up from Changpei to Shangtu along the new Changpei-Shangtu-Nanhouchan motor-road. The Suiyuan provincial forces are awaiting an attack, which is expected at any moment.

The situation in western Suiyuan, especially along the Shensi border, is now very critical following the invasion of Red bandits from Shensi, according to *Central News*. Liu Chi-yao, Director of the Reclamation Bureau in western Suiyuan, arrived in Kweihua Nov. 3 to report to General Fu Tso-yi, Chairman of Suiyuan, as well as to receive instructions regarding measures for coping with the situation. It is learned that the situation in western Suiyuan is more serious than that along the Suiyuan-Chahar border. Unless immediate steps are taken to repulse the Red bandits now invading Suiyuan, peace and order in that border province would be greatly threatened.

According to *Ta Kung Pao*, the Hopei-Chahar Political Council has formulated a set of regulations giving permission to the establishment of Japanese police stations in various districts of Hopei and Chahar. It is reported that these steps were taken by the authorities in view of the numerous incidents which have occurred in past years because of the uncontrolled activities of Japanese roinn.

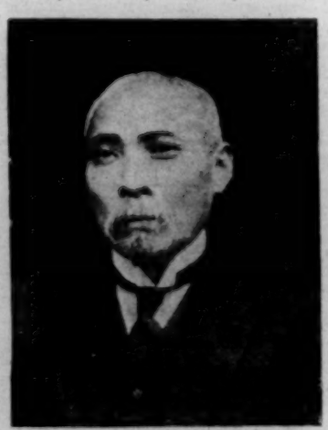
Replying to the recent manifesto presented to the Nanking Government by 100 Peiping educators, the Waichiaopu said in a telegram Oct. 29 that "your demands are wholly accepted by the Government. The Chinese Government is determined not to sign any agreement or treaty which violates her territorial integrity or sovereignty. If these are threatened, the Government will use diplomatic methods to solve them, but, if a foreign Power threatens the existence of the Chinese nation, the Government will resort to the final sacrifice."

HSIAO CHEN-YIN TO TAKE INSPECTION TRIP ABROAD

Gen. Hsiao Chen-yin, former Mayor of Tientsin and now member of the Hopei-Chahar Political Council, arrived at Shanghai from Peiping Nov. 1. He is expected to leave for Europe aboard the *Gneisenau* on Nov. 18 on an inspection trip.

MARSHAL TUAN CHI-JUI DIES AT SHANGHAI NOV. 2

Marshal Tuan Chi-jui, aged Chinese statesman and leader of the former powerful Anfu Clique, died at his private residence in Shanghai at 9 p.m. Nov. 2. Death was caused by digestive trouble, from which he had been suffering for a number of years. Born at Hofei, Anhwei, in 1864, Marshal Tuan was graduated from the Peiyang Military Academy at Tientsin in 1885. He later went to study artillery science in Germany and after his return to China he assisted Yuan Shih-kai in the training of a modern army for China and in suppressing the Boxer Uprisings in 1900. During his long official career, he held a number of important government posts under the Manchu regime. After the establishment of the Republic, he was appointed Minister of War in the first Republican Cabinet in 1912. He became acting Prime Minister during the period from May to July, 1913, and in September of the same year was appointed Governor of Honan and concurrently Minister of War. In the following year he was made a Marshal and President of College of Marshals. In 1916 he became Prime Minister and in the next year concurrently Minister of War. It was in these capacities that he brought China into the World War on the side of the Allies by declaring war upon Germany. When he again became Prime Minister and Minister of War in 1918, he organized the powerful Anfu clique, of which he was also the leader. He is also well remembered for his suppression of the abortive attempt of General Chang Hsun to restore the Manchu monarchy in 1917. In the following year he assumed the post of Director-General of the Frontier Defense Bureau. From November, 1924 until he retired from active political life in 1927, he was the Provisional Chief Executive of China. During the past few years, he had been living in retirement in Shanghai.



Marshal Tuan Chi-jui

NORTH CHINA COUNCIL TO ENLIST YOUTHS IN ARMY

The Hopei-Chahar Political Council will hold an examination shortly to enlist 1,000 senior middle school graduates in the army, according to *Reuters*. They will undergo military training for two years, and will then be sent to the various army units in the two provinces for military service.

Chang Chia, the Living Buddha, left Nanking for Taiyuan, Shansi, by plane Nov. 1. Prince Ah, head of the Suiyuan Mongol Council, was at the airdrome to see him off.

KWANGSI DECIDES TO ADOPT LEGAL TENDER NOV. 1

Decision has been made by the Kwangsi provincial government to adopt the legal tender as standard currency in the province, as beginning from Nov. 1, according to *Central News*. Payments of taxes and all accounts of governmental organs will, commencing Nov. 1, be made in legal tender notes, while existing subsidiary silver coins will for the time being continue in circulation.

Japanese Make Huge Land Purchases in North China

The Shanghai *Shun Pao* Nov. 2 give full details concerning the industrial activities in which the Japanese are taking part, particularly in North China.

The Hsin Hwa Mill of Tientsin, it reports, was sold out to Japanese interests several weeks ago and is returning $40.50 a share to its stockholders, some of whom are refusing to accept the return on the ground that they had not sanctioned the sale as required by the regulations.

The Hsing Chung Mill in Tientsin, which was organized recently, has plans of erecting an improved factory in Kalgan to turn out better products, it is reported. It aims to reform the existing industry, commencing with better raising and selecting of the sheep.

The Japanese will push the tea trade into Mongolia and, in return, develop the wool and hide industry there, the paper reported. A large Japanese firm is opening a branch in Tientsin with a $300,000 factory to be built in the very near future.

It is understood that the Japanese, under the cultural promotion section of the Japanese Foreign Office, are opening an agricultural experiment station in Tsinan, Shantung, to promote better cotton crops. The scheme is now in the hands of the Japanese Consul-General in Tsinan.

Japanese in North China are now practically enjoying the right to own land. A considerable amount of real estate has, it is reported, been bought in the name of Chinese citizens, to avoid legal entanglements. Many acres of fertile and valuable land along the Haiho between Tientsin and Tangku have been bought by Japanese, and properties in Peiping and Tientsin are also being rapidly taken up, reports the *Shun Pao*. Recently 70,000 to 80,000 mow of land were purchased in this way by Japanese near Chentangchwang for farming and other purposes.

Central Mint Branch to Be Opened at Chungking

Three experts of the Ministry of Finance arrived in Chungking last week to make preparations for the opening of a branch of the Central Mint at Chungking.

Chung Wai Bank Absorbs Kiangsu Bank

The Kiangsu Chekiang Commercial and Savings Bank, 2 Tientsin Road, has merge its capital and organization with the Chung Wai Bank, Nov. 1. The new firm is known as the Chung Wai Banking Corporation, with Tu Yueh-sen, Chairman of the Board of Directors and General Manager of the old Chung Wai Bank, retaining his former post. The head office of the new institution will be located at the premises of the old Chung Wai Bank at 143 Avenue Edward VII, Shanghai.

Foochow Merchants Want Big Loan

A number of leading merchants in Foochow have approached the Central Bank of China, the Bank of China, and the Bank of Communications for a joint loan of $5,000,000.

Communists in Southern Fukien Meet Defeat

Communists in Yun Shao, Liang Shan, Shiang Feng Shan in Southern Fukien suffered their first defeat in recent months when they were driven out by four battalions of the 75th Nanking division and a regiment of provincial protective guards on Oct. 27, according to reports which reached Canton Oct. 30.

Roosevelt Re-elected President by Overwhelming Vote

The largest number of voters in the history of the United States went to the polls Nov. 3 to elect a President, a Vice President, Senators, Representatives, and Governors in many states. The President Elect will take the oath on January 20 next, in accordance with the 20th Amendment to the Constitution (ratified Oct. 15, 1933) changing the date of the start of the Presidential term from March 4 (which was fixed at the time the Constitution was adopted) to Jan. 20. Senators and Representatives will take office Jan. 3.

President Roosevelt was re-elected at the elections held throughout the United States Nov. 3 by the most sweeping victory in the history of the country. Landon, the Republican candidate, carried only two states, Maine and Vermont. Pennsylvania went Democratic for the first time in many years. Roosevelt won in Landon's home state, Kansas.

Three Hundred American Ships Tied Up on West Coast by Seamens' Strike

Thirty-five thousands members of maritime unions struck in San Francisco at midnight Oct. 29, paralyzing coastwise shipping and threatening a repetition of the costly industrial warfare waged in 1934. A total of 300 vessels was tied up by the walk-out. Of the 300 ships tied up by the strike, four were idle at San Francisco, 25 at San Pedro, 20 at Seattle, and the remainder at Portland, Vancouver, San Diego, Honolulu, Juneau, Alaska, and other ports in Alaska, Hawaii and on the mainland.

With the cancellation of sailing orders for more than 200 ships, which at the end of October threatened to cause acute food shortages in Hawaii and Alaska as well as American West Coast cities, the Mayor of San Francisco, Angelo J. Rossi, Oct 31, used his charter powers in declaring the city in a state of emergency.

On the Atlantic Coast a shipping strike is also in progress.

Interviewed by a representative of the *Shanghai Times*, officials representing American and Canadian steamship companies in Shanghai stated that the situation is considered particularly grave in view of the fact that the agreement over which labor refuses to negotiate is a product of a U.S. Federal committee. It is believed that a definite and perhaps costly "show-down" must come this time. The original agreement terminated on Sept. 30, and when it was extended for a month, possibilities of widespread trouble were thought to have receded, but these hopes were not realized.

David Grange, third vice-president of the International Seamen's Union, Nov. 3 denounced the shipping strike as an "outlaw movement organized by Communists." He had plans, he said, to break up the strike by supplying crews for the ships affected. The issue, Mr. Grange declared, was Communism vs. Americanism.

Economic Isolation is Attacked by Secretary Cordell Hull

The world should abandon the policy of economic isolation, declared Cordell Hull, U.S. Secretary of State, in a speech in Detroit Oct. 30 in which he defended the trade policy of the United States Government. "The policy of economic isolation," he said, "is leading only in one direction : if there is no military explosion within the next year or two, there will be an economic explosion."

Korean Servant Pleads Not Guilty to Charge of Attempted Murder in U.S.A.

Chang-soo Lee, a Korean servant employed at White Plains, N.Y., by Mrs. L. W. Churchill until his arrest several weeks ago, on charges of poisoning two guests at the Churchill home, pleaded not guilty Oct. 29 to two indictments charging attempted murder. The case will probably be heard in mid-November.

Big Improvement Recorded in U.S. Company Earnings

The third quarter earnings of 172 companies in all branches of industry in the U. S. showed a combined net profit of $226,000,000, compared with $145,000,000 in the same period of 1935.

Frank Murphy Says His Heart Is in the Philippines

"My heart will always be in the Philippines and, if I am defeated in my race for the Governorship of Michigan, you may be assured I will be on my way to Manila within a few days," Frank Murphy, U.S. High Commissioner for the Philippines, said in Detroit Nov. 1. Mr. Murphy was granted special leave from his Philippine post to participate in the Michigan gubernatorial election.

Mr. Murphy won the contest for governor of Michigan by a narrow majority.

Pai Chung-hsi to Be Appointed Director of Provisional Headquarters in Canton

According to well-informed circles, the reason that Gen. Ho Ying-chin, Minister of War, has not yet gone to Canton to assume his concurrent post as Director of the Provisional Headquarters of the Military Affairs Commission, is the intention of the Central Government to appoint Gen. Pai Chung-hsi to the post. It is further reported by the *Hwa Mei Wan Pao* that formal appointment will be made by the Central Government as soon as Sun Fo meets Gen. Pai in Kweilin during the next few days. Mr. Sun, who was instructed to sound out Gen. Pai, was scheduled to leave for Kweilin on Nov. 6.

Lu Chu Appointed Acting Governor of Hupeh Province

BY THE REVIEW'S HANKOW CORRESPONDENT

NANKING has appointed Lu Chu, Secretary-General of the Hupeh Provincial Government, as Acting Governor, since Meng Kwang-peng, Commissioner of Civil Affairs, on Oct. 28 declined the appointment to fill temporarily the vacancy created by the assassination of Governor Yang Yung-tai on Sunday the 25th of October. While several candidates are being considered by the central authorities in Nanking, no one has been definitely mentioned, at least not for publication. From high circles in the provincial government it appears that the appointment of a permanent governor will not be effected before the burial of the lamented Governor Yang. In all probability this will take place about the middle of the current month.

Hundreds of high goverment and municipal officials attended the coffin-sealing rites held at Hankow Oct. 27 at 6 p.m. when the coffin of the late Governor Yang Yung-tai was sealed. A massive display of floral wreaths and sprays decorated the room in the Bankers' Club, where the ceremony took place.

First the members of the Yang family were given the last opportunity of viewing their dear relative before the casket was sealed. Then the assembled guests began to pay tribute to the high qualities of the deceased. Governor Liu Chen-hua of Anhwei represented the Central Government and brought condolences from Generalissimo and all the others in the government at Nanking. Representing Hupeh province were General Ho Cheng-chun, Pacification Commissioner of Hupeh, General Chen Chi-cheng, Wuhan Garrison Commander, Lu Chu, Secretary-General of the Hupeh provincial government and Acting Governor, and many others.

Assassin Caught Immediately—Confesses Later

Shortly after the dastardly assassination of Governor Yang on Sunday afternoon the 25th of October, the assassin, Cheng Hsi-chao, a 25-year-old Szechuan youth, was captured by a policeman of the Sixth Branch Police Bureau, Yeh-Yung-ching. According to information received from the Wuhan Garrison, the assassin has confessed why he committed the awful crime. For obvious reasons the motive has not been announced to the press, pending further investigation. Several others held for examination have now been released on bail. The assassin had been living in Hankow for some time, first at the Tai An Hotel on the Bund, later at the King Han Hotel in the French Concession.

Hankow Daily Lauds Governor Yang

In an editorial Oct. 27 the *Hankow Herald* lauded the late Governor for his determination to do all in his power to modernize Wuchang, and to improve conditions in Hupeh.

"Governor Yang Yung-tai was a man of principle as well as action. No sooner had he been made Chairman of the Hupeh Provincial Government than he began to find out what should be done for promoting the welfare of Hupeh province. Once he had decided upon a project which he regarded as beneficial and necessary, he would start to carry it out without the least hesitation. Indeed, the late Governor often prided himself upon adhering to the principle that 'Actions speak louder than words'. In his eagerness to carry out his plans he feared neither criticism nor opposition. It was this rare quality which enabled him to accomplish as much as he did as Governor of the province in the short space of ten months. The modernization of Wuchang, for example, was one of Governor Yang's pet projects. In trying to carry out that project the zeal he displayed was matchless . . ."

The relatives of the lamented governor urge that the assassin and others connected with the crime be given the maximum punishment according to the law. Officials and the press concur in this sentiment. Everything should be done to safeguard the life of public servants in China. It is most cowardly to shoot a man down in cold blood. Public servants should be subject to criticism, lest they become overbearing. But only lawful means should be employed to point out any deficiency the individual member of the state should discover. Gen. Yang's remains will be buried in Hankow. No date has been fixed for the burial. The Executive Yuan at Nanking has voted $10,000 for funeral expenses and the Hupeh Provincial Government $30,000.

Wuhan, In Festive Mood, Celebrates Chiang's Birthday

The fiftieth birthday anniversary of Generalissimo Chiang Kai-shek was duly celebrated in the Wuhan cities Oct. 31. The Hankow Tangpu was the scene of a very festive occasion. The merits of the Generalissimo were extolled by Chen Pan-lin, special commissioner of the Municipal Tangpu, who presided over the meeting. Similar meetings were held at the Headquarters of the Pacification Commissioner of Hupeh, the Garrison Commander of Wuhan, and the Hunan-Hupeh Censor Commissioner. Religious services were also held in his honor by Buddhists, Catholics, and others.

Five Gift Planes for Chiang Kai-shek Christened

Five airplanes were christened on Wednesday the 28th of October at the Wangchiatong Airdrome by two daughters of pro-

(*Continued on page 364*)

The Rush for Gas Masks in Harbin

BY THE REVIEW'S HARBIN CORRESPONDENT

THE renewal of armed clashes on the Soviet-Manchukuo frontier near Hungchung, in which, according to rumors infiltrating from the east, the Japanese-Manchukuo side has sustained rather heavier casualties than officially admitted, has intensified the rush for gas-masks and suits now on sale at the municipal offices. Capt. Onozaki, the head of the Air Defence Association, has exhausted his entire stock of these articles and now accepts only orders for future deliveries.

According to an announcement in the local press, every one may buy gas-masks and suits, the entire outfit, consisting of a jacket, trousers, gloves and a mask, being priced at Yen 30.90. A separate mask may be bought for Yen 13.10 or Yen 7.80, according to the quality and workmanship of the mask. It is further announced that as the present stock of gas-masks and suits has been imported duty free as a special measure of the Customs the price will be increased in the future. The government employes and members of the public bodies may not pay the price when ordering the suits but in instalments after the delivery of the articles.

Since this privilege has been extended to Russian emigres as well, the Bureau for Administration of White Russian Affairs in Harbin has opened a subscription for these articles too, also on a deferred payments system. The shadow of war thickly hovering over the horizon, the populace has readily responded to all this publicity, the stock of gas masks and suits having been exhausted in Harbin within a few days. Capt. Onozaki said that orders for these articles had been received from the most remote parts of Manchuria and that there is practically no possibility to fill all the orders for these articles. Evidently the rubber industry of Japan is enjoying boom times nowadays.

Air Defence Association Members Engage in Training

"At present, the members of the Air Defence Association are busily engaged in training," said Capt. Onozaki the leader of the Association, to the pressmen. "This is important, as every member of the Association should know his duties during emergencies, especially air raids. Our task is to put the air defences of Harbin on the highest point of perfection so that every resident may feel himself secure in times of peace or war. We are now engaged in preparation for the forthcoming winter air defence maneuvers which will take place late in December or early in January. The residents will have to watch these maneuvers, as drills in the winter differ greatly from those held in the summer. War may break out at any moment, so we cannot take chances and sit without perfecting our defences," he concluded.

Housecowners are in panic; unless they pay off all their taxes in arrears, they face a wholesale attachment of all their properties. The municipal authorities have already started attaching the properties of defaulting housecowners,—their houses, furniture, livestock and personal effects,—through a special commission, which sells them by public auction. Reporting it, the *Harbin Times* stated that the attachment is being carried out by the commission in the presence of witnesses invited from amonst the residents and that no one invited may decline to join the commission. The commission is empowered to attach every article found in the house, no matter whether it belongs to the housecowner or members of his family, appearing at the house without any previous notice. The attachment may be carried out even in the absence of the taxpayer, the announcement reads.

Nothing of the sort was seen during the Russian and Chinese administration of Harbin, and the taxpayers are in a rage, especially since the commission has proved to be relentless in carrying out its none too glorious duty. The petition of the houseowners that in assessing the taxes the authorities should take into account the real incomes derived from houses and not the approximate ones, as is the case, has been disregarded without any explanation. Their plea that the rents due to them were in arrears for many months was also neglected.

The houseowners appear to be in a bad fix, anyway. Unable to pay off the ever-mounting taxes, they face complete liquidation unless the authorities change their present ruinous policy of collecting taxes at all costs, which appears to be not likely. As a result of this situation, many houses are on sale, especially in the suburbs. A house of three or four rooms, with conveniences, may be bought for only 500-600 "gobis" (the local paper currency equal to less than U.S. $0.30). When sold by public auction, as is being done now by the municipal authorities to defray the taxes, such houses realize not more than 200-300 "gobis"—usually paid by Japanese real estate sharks, who are doing a roaring business, whilst the "declassed" Russians and Manchukuoans seek refuge in China, principally in Shanghai, Tientsin or Tsingtao.

One More Monopoly—Pawnshops

It appears that we shall have one more monopoly—in pawnshops—in addition to the many now in force. On October 16, the *Harbin Times* under a banner heading "Private Pawnshops Will be Liquidated" reported that the "Tahsin Kungssu," now operating in Tsitsihar, has decided to buy up all private pawnshops, over thirty in Harbin, and to carry on the business along monopolistic lines. The report stated that the total business turnover of all these pawnshops amounts to "Gobi" 500,000 in a year and that the "Tahsin Kungssu" contemplates to pay it as a price of their stepping out of business.

The announced reason for this measure is that private pawnshops collect too high a commission—96 per cent per annum—from their customers, the lowest strata of the population. If the contemplated monopoly lightens up this situation well and good, but the experience with other monopolies does not make one feel optimistic in this regard.

Harbin, October 28, 1936.

Kokonor Students Arrive in Shanghai After a Journey of 53 Days

Following closely on the heels of Gen. Ma Ling, Chairman of the Chinghai Provincial Government, who arrived recently from China's north-west on his way to Mecca, twelve students whose ages all are around twenty, reached here last week. The journey to Shanghai took 53 days. They were delayed at various points by bandit and Red activities. Of the twelve youths, four will study engineering, four medicine, and four rural education.

A local committee is sponsoring a project by educators in Shanghai to support these students. It is headed by President H.C.E. Liu, of the University of Shanghai, and Prof. H. C. Chen, Chinese Educational Officer, Shanghai Municipal Council. The other members of the committee are: Principal T. L. Shen, of Medhurst College; Prof. H. C. Hsu, editor-in-chief of the Chung Hwa Book Co.; and Dr. C. J. Ho, research director of the National Vocational Educational Association.

Honors Day Observed at Shanghai University

The annual Honors Day of the University of Shanghai was observed at the morning assembly Oct. 30. Professor B. Ifor Evans, of the University of London, was the guest speaker for the occasion. He spoke on "The Life of Students in English Universities."

Special Training for Graduates in North China

The Hopei-Chahar Political Affairs Committee is planning to offer special trianing to a thousand graduates from junior middle schools. The period of training is fixed at two years.

Yenching "U" Opens Museum on Archeology

The Harvard-Yenching Institute's Archeological Laboratory Museum at Yenching University, Peiping, was formally opened Oct. 28.

President of University of Nanking to Extend Stay in U. S.

A request has been received from the Board of Founders in New York that Dr. T. G. Chen, President of the University of Nanking, remain some months longer in America in the interest of the University.

Aw Boon Haw Contributes Liberally for High Schools in Fukien

Aw Boon Haw, noted Chinese magnate in Singapore, has donated a sum of $300,000 for the establishment of 100 primary schools in Fukien.

"New Life" School Is Opened in Shanghai with 100 Students

A school for teaching the principles of the New Life Movement, which was started two years ago by General Chiang Kai-shek, was opened Nov. 2 at a ceremony held in the Shanghai District Chamber of Commerce in the presence of high officials and more than 100 students recruited from public bodies and commercial houses. In a speech, Pan Kung-chan, Commissioner of the Bureau of Social Affairs and chairman of the meeting, emphasized the importance of the movement which, he said, helped one to cultivate himself.

Yacht Skipper Lauds Chinese Junk Laodah

J. P. Herbert, the owner-skipper of the Shanghai yacht *Aracataca* II, which was wrecked in the vicinity of Hongkong, Oct. 28, declined to make a statement to newspapermen regarding his ill luck. "At present," he said, "I prefer to say nothing except to say that the accident occurred 80 miles outside Waglan. I cannot speak too highly of the captain of the Chinese junk which rescued us, who deserves the highest praise." One Chinese member of the yacht's crew was drowned but Mr. Herbert and the other Chinese sailors on board were saved by a Chinese junk.

A Split Amongst Inner Mongolians

BY THE REVIEW'S TIENTSIN CORRESPONDENT

IN THE present tense situation on the Chahar-Suiyuan border there is one element that has escaped the notice of observers —the cleavage in relations between Chahar and Suiyuan Mongols. While the Chahar Mongols appear to have completely succumbed to Japanese dominance as yielded by the Kwantung Army, the Suiyuan Mongols are firmly loyal to the Chinese Republic and seem to be ready to prove it by armed resistance to any invasion of Suiyuan Province no matter whether it is attempted by their kinsmen, Chahar Mongols, or bandits led by Manchukuo puppets. At any rate, Prince Sha, the head of the Suiyuan Mongolian Political Council, in several declarations intimated the firm resolve of all Suiyuan Mongols to defend the provincial borders from any invasion from the east. To prove it, they are actively assisting the Chinese troops in erecting defence works along the frontier, so that, in case of an invasion of Suiyuan by Chahars and Manchukuoan bandits, we might witness a fratricidal strife between the two Mongolian tribal groups wholly engineered by the same omnipresent Kwantung Army.

The separation of Suiyuan and Chahar Mongols in respect to their administration has passed somewhat unnoticed, for until very recently both groups were jointly administered by the Mongolian Political Council then headed by Prince Yun, Chairman of the Olanchab League in Suiyuan Province, as its president, and Prince Teh Wang, chairman of the Silingol League in Chahar Province, as its vice-president. Following the complete succumbing of Chahar Mongols to Japanese domination, the Suiyuan Mongols have formed a separate whole administered by the Suiyuan Mongolian Political Council, now headed by Prince Sha, the head of the Akcho League in Suiyuan, thus dissolving the All-Mongolian Political Council that appeared to have at last united all Chinese Inner Mongolians. Thereupon, the Chahar Mongols came under the authority of Prince Teh Wang and formed a separare Political Council with a seat at Pailingmiao. However, with their present *de facto* independence under Japanese aegis, the Council appears to have died a natural death without achieving anything that was once hoped for.

Thus, the ambition to unite all Mongols of Chinese Inner Mongolia under the banner of a common administrative organ appears to have met with a complete fiasco principally due to the extension of Japanese control nearly all over Chahar Province and the final succumbing of Prince Teh Wang, a principal proponent of Inner Mongolian nationalism, to Japanese domination.

A Horde of Loosely Connected Tribal Groups

The Inner Mongolians have never represented something solid but rather a horde of loosely connected tribal groups headed by jealous princely houses. This same rivalry amongst various princely houses appears to have been introduced in the newly won "autonomous" administration, for no sooner was the Mongolian Autonomous Political Council set up at Pailingmiao than tribal differences broke out which in the long run have ended in a complete split-up between tne two largest groups, Chahar and Suiyuan Mongols.

The first attempt to control the Pailingmiao Political Council was tried by Suiyuan Mongols, who engineered a mutiny of the Mongolian garrison at Pailingmiao. It fell through because of a resolute move of the Changchun warlords, who ever watchful of Mongolians, nipped it in the bud by dispatching the Manchukuo troops under Li Shou-hsin to Chahar Province which occupied the southern part of the province and effectively cut off communication between Suiyuan and Chahar. Li Shou-hsin's troops are still there and threaten to invade Suiyuan, which cannot be interpreted otherwise than as an attempt to extend the authority of Chahar (and Silingol) Mongols over other tribal groups inhabiting Suiyuan, or—in other words—over the Olanchab and Tumet Mongols, as the first stage of the program.

Tribal differences permeate through the entire history of Mongolians and constituted a principal cause of the downfall of their empire, built so spectacularly by Ghenghis Khan and his descendantes, Ogdai, Mangu and Kublai khans. Recent investigations (e.g. Owen Lattimore) appear to show that the rise of the Ming dynasty (in 1368) and driving the Mongols out of China was largely due to the skilful policy of the first Ming emperors to split up the Mongols into several warring groups and, by siding with some of them, to render the once formidable tribes completely impotent, until they settled down in peaceful pursuits.

The same tribal differences were skilfully utilized by Manchus in their ascendancy in Manchuria and first attempts to invade China. Even in the very dawn of Manchu history, they used one Mongol tribe against the other; it is recorded that Nurhachi, the founder of the Manchu ruling house, allied himself with the Haitsi tribe of Nuchens and attacked the half-Mongol Yei-jen or Yehonala tribe, subduing it completely. It is said that the Yehonala chief, while dying, cursed the victors and foretold that the Yehonala would some day be destroyers of the Manchu power. Fearing that the prophecy might some day come true, it was a house rule of the Manchu imperial line not to take a wife from the Yehonala stock, which was however broken in the case of Tzu Hsi, the former Dowager Empress. It was indeed her highly malignant and spiteful influence for a half century that brought the Manchu imperial house to utter degeneration and accomplished its downfall in 1912.

The Poisoning of the Emperor

Even on her death-bed, she committed a crime, the poisoning of Emperor Kwang-Hsu, in order to put Ai Hsin Chueh Pu Yi, then only four years old, on the Dragon Throne. Pu Yi was, as is known, the grandson of her childhood sweetheart, Yung-Lu, afterwards grand councilor. It was due to her influence that Yung-Lu married one of Tzu-Hsi's court ladies, the union resulting in the birth of a girl baby, the mother of Pu Yi. When grown up, she became the wife of Prince Chun Wang Tsai Feng, the younger brother of Emperor Kwang-Su, and gave birth to Pu Yi. In order to clear the throne for Pu Yi, Tzu Hsi, a few hours before her death, gave orders to poison the Emperor Kwang-Hsu, thus realising her life-long dream of having her sweetheart's scion on the Dragon Throne.

If the Inner Mongolians had not been split up in the beginning of the seventeenth century, the Manchus would have probably never risen to power and occupied Peking and with it the whole of China. Ten years before the invasion of China in 1644, they befriended Naiman, Kharchin and Tumet Mongols, inhabiting the present Jehol Province, in their strife with Chahar Mongols, then led by the redoubtable Lingdan Khan (born in 1592). The Chahars were defeated and incorporated in the Manchu empire under their own banners. Lingdan Khan was the last Mongol potentate who tried to unite all Mongols in one empire in the manner of Ghenghis Khan or Kublai Khan.

Even the occupation of Peking in 1644 was possible only because of internal strife amongst the Chinese, when, under the rule of the last Mings, the country represented a picture of utter dissolution and degeneration. In that year, the capital fell into rebel hands. To free it, the Ming General Wu San-kei, originally sent out to quell Manchus, shook hands with them and sought their assistance in quelling the rebellion. The combined force of Manchus, Eastern Mongols, Chinese "bannermen" and regulars of Wu San-kei made short work of the rebellion, the result of it being the installation of the Manchu imperial dynasty in Peking.

The same tribal rivalry appears to exist till the present between the Western, that is, Suiyuan, Ninghsia and Kansu Mongols on the one hand and Eastern or Chahar and Jehol Mongols on the other, both being backed up by two rival forces—China and Japan. The ambition of a small group of intelligentzia, represented by Teh Wang and his followers, to unite all Mongols of Chinese Inner Mongolia, appears to have met with a fiasco because of a resolute move of the Kwantung Army, which put it to an end by converting a greater part of Chahar Province into an appendage of Manchukuo. Still more, it seems to be a settled Japanese policy to extend the "authority" of Chahar Mongols westward to Suiyuan and largely through the Mongolians themselves aiding them by Manchukuo hirelings and Chinese mercenary bandits. On the other hand, the Western Mongols appear to be ready to oppose the invasion by force so that any movement in that direction will lead to a fratricidal struggle between the two largest groups of Mongolians, the Japanese being entirely responsible for the bloodshed. The tragic side of it is the fact that Eastern Mongols, including even Jehol Mongols, are being led to this warfare against their own will simply to round off the Japanese politico-military program of encircling Outer Mongolia, as the first step in the imminent struggle for supremacy in Eastern Asia.

Tientsin, November 1, 1936.

Suspected Murderer of American Woman Arrested in Anhwei

A coolie named Liu Yung-hsin was arrested last week in a village in Szehsien, in Anhwei, in connection with the death a year ago of Mrs. Waddell-Hsu, the American wife of an expert attached to the National Health Administration and daughter of John M. Waddell, Mill Valley, California. Liu is alleged to have confessed that he murdered Mrs. Waddell-Hsu. The coolie was arrested at Black Pagoda village, in Sze-hsien, by four special detectives belonging to the Nanking garrison headquarters.

The detectives claimed that, during a search of the house in which Liu was living, they found a platinum ring on which the word "Waddell" was engraved. Liu Yung-hsin, who is 24 years of age, served in the Chinese Army, but was a ricsha-coolie in Nanking at the time of Mrs. Waddell-Hsu's death. Subsequently, he is stated to have left the capital with his mother. Liu is now being detained at the garrison headquarters in the capital for further questioning, having been brought to Nanking a few days ago.

The Girl Guides

BY T. S. YOUNG

SHANGHAI is going mad after girls. By instinct, men love pretty girls, but this love as expressed by Shanghai men is more sensual than aesthetic. Any girl with an oval face, bright eyes, fair complexion, and a wasp-like waist can come to this port and make a small fortune by "selling" her love at a price which no Shanghai tightwads and misers would consider too exorbitant to pay. The arrival of a high Government official would scarcely arouse any public interest, but the visit of the "Beauty Fish" would be considered a very great event. Any exhibition of arts would attract but a handful of visitors, but the hula dance contest and the showing of such sexy pictures as "Ecstasy" would be always assured of full houses. While Shanghai men may turn a deaf ear to the appeals of charity, they would pay high prices to see the "Beauty Fish" in one-piece bathing suit, hula dance contests and any sexy pictures.

Shanghai's love for girls has made it a free hunting ground for enterprising girls to seek fame and fortune. Any girl with a good-looking face can go into the motion picture business and call herself a "star"; and as a "star", she can have the honor of dining at the same table with "great men" and of being invited together with them to sponsor any ceremonies from the opening of a small grocery store to the launching of money-raising campaigns. And any girl, blessed with a pair of nimble legs, can secure employment from the numerous cabarets as a dancing partner, and as such, she can use her coquetry and caprice to assail the heart as well as the purse of unsophisticated college student or corpulent merchants, thereby enabling her to draw a monthly income as large as that of much-respected and much-admired big bankers. Look, even the onion-smelling and rustic-looking "jump-jump" play actresses, whose acts and singing have hitherto been considered as being too uncouth and sexy to appeal to the refined taste of the people above the proletarian class in Peiping, are now playing to the packed houses of Shanghai bourgeoisie.

"Shanghai Men Are Curious Creatures"

What curious creatures are Shanghai men! National crises and business depressions can not become grave enough to dampen their girl-madness and make them insensible to feminine charms. While in one section of the city, the terror-stricken people are making a hasty evacuation as if the dogs of war were barking at their very door, in other sections, the girl-crazy men are either applauding their worshipped movie "stars" on the screen, or hugging their favorite dancing partners under dim lights in the cabarets, or relishing the sex-intimating acts of the newly-idolized "jump-jump" play actresses. Shanghai is said to have been smitten hard by business depression; but who can believe it, if one looks at the crowds in the cinema houses, cabarets and theaters? In a word, Shanghai men whose mind has been so much obssessed with the charms of "stars" and "queens" can not make themselves interested in such insipid matters as a national crisis and business depression; and they will gladly let the rest of the world go by, so long as they can have the "stars" and "queens" to entertain them and frolic with them.

Shanghai's madness for girls will not suffer a relapse, for new attractions have been from time to time introduced by matter-of-fact money-making persons to stimulate the appetites of Shanghai men, just as new cooks have always concocted new dishes to stimulate the appetites of epicureans. The matter-of-fact money-making persons have always kept their finger on the pulse of Shanghai men, and can tell unmistakably what they are longing for. With the advent of "modern times," they have found out that a sing-song house is too aristocratic and exclusive to cater to the popular demand, and so they have brought into being a new style of feminine entertainment in the form of cabarets, where even men of little means can afford to quench their thirst for feminine beauty and charms. But there are still a multitude of men who would find dancing too vulgar a pastime and too strenuous an exercise to suit their refined taste, and would prefer to have a tete-a-tete dinner or tea with a good-looking girl in a cozy room or to seek pleasure and relaxation from "hills and waters" under the guidance of a female companion. This poetic taste, which finds its presence in the mind of many of our people, especially the middle-aged men, gives rise to a new need, which the sing-song girls and taxi dancers can not be expected to meet. This need calls for a new form of feminine entertainment, hence the birth of the so-called girl guide house.

This girl guide house is the latest attraction of the many attractions boasted by this big city. Although it is altogether a new adventure, its popularity can be attested by the fact that within the last six months there have sprung up more than one hundred of such houses, not counting the ones which will be opened up in future. If each house has fifteen girls on its pay-roll, the total number of girl guides in Shanghai at present must be over 2,000. Look at their advertisements which have practically filled one half of the pages of some of the leading Chinese newspapers in Shanghai. The names of the girls together with their assigned numbers and sometimes their pictures, and the telephone numbers of the houses are clearly published, so that prospective customers will not make mistakes in sending for the right girls. Just read the translations of the following advertisements, and see what is the reaction upon your good sense:

"King Mei-chur, sister-in-law of Henry Pu-Yi, Emperor of 'Manchukuo,' has joined our house and will be pleased to answer any call to serve either as dancing partner or as tourist guide at the rate of two dollars per hour. All other beautiful girls of our house can be engaged at only one dollar per hour . . . . ."

"Lily, a French returned student, has defied public censure and the objections of her family, and has consented to serve our customers either as a dancing partner or as tourist guide . . . . . ."

"We have English-speaking girls in our house. Should you need a pleasant companion as well as a capable interpreter, just give us a ring, and a pretty girl will be at your disposal in less than five minutes....."

"We have beautiful foreign girls to be engaged either as dancing partners or as tourist guides. Just make a change and see how foreign beauties suit your taste....."

"Our girls carry in their pockets some 'mysterious' gifts to be give to our customers. If you don't get yours, you can search her pockets as you please....."

"We have girls of the Mae West type, of the Jean Harlow type, and of the Clara Bow type. Choose which type you want, and we guarantee to give you satisfaction....."

"Every girl enlisted by our house is a chosen beauty, who will put Kueifei and Chaochun (noted ancient Chinese beauties) into shame. Don't blame us, if you should 'lose your soul' after having seen any one of them....."

"If you want to be friendly with 'school queens,' 'movie stars' and 'society flowers,' just dial our number. You need not pay, if you are not satisfied with the girl you have sent for....."

A Puppet's Sister-in-Law

How can a man be so numb as not to be moved after having gone through these tempting offers? Who will not spend two dollars for the mere sake of having the honor of seeing in person a no less personage than the sister-in-law of the world-renowned puppet? Who will deny himself the pleasure of meeting a French returned student who has so much courage as to break down all the old conventions and social prejudices? Who will not give himself a treat by hiring a foreign beauty as his temporary companion? Who will resist the pleasure of searching the girl's pockets for "mysterious" gifts? Who wil, not be anxious to see the Chinese prototypes of Mae West! Jean Harlow and Clara Bow, who have made the motion pictures so popular with the Chinese? And who will not be tickled to be friendly with "school queens," "movie stars" and "society flowers"?

With the introduction of these girl guide houses, more girls can find lucrative employment, and more men can quench their thirst for feminine beauty and charms. Those matter-of-fact money-making persons who have introduced this new form of femining entertainment are really business geniuses; while those girls who can hire themselves out at so much per hour in defiance of old conventions and social prejudices are indeed practical girls. Why should we look at morality through a magnifying glass and raise a hue and cry over moral bankruptcy, when chances of employment for girls are so few in this man-ruled world? It is both natural and justifiable that they should "sell" their natural endowments—beauty and charms—to the girl-crazy public as a means of livelihood.

Apropos, some enterprising men may find it profitable to organize themselves into some man-guide houses. Such advertisement as "we have men of the Rudolph Valentino type, of the Clarke Gable type, and of the John Gilbert type to be engaged at $1.00 per hour" will certainly appeal to the psychology of our many "star"-worshipping women. Not long ago, a rich heiress advertised for a personal secretary to accompany her on a round the world journey with salary. Out of some 650 applicants, she picked out a good-looking American returned student with a doctorate degree. I am sure that many other women are equally disposed to pay for the services of handsome men guides to take them to make sundry purchases or to seek pleasure and relaxation from "hills and waters."

Nanking's "No-Tip" Order Is Temporarily Shelved

The controversy over the system of tipping in Nanking has tentatively been settled by an order of the local branch of the National New Life Movement Association postponing the execution of the regulation abolishing "wine money" which was declared nationally effective beginning Oct. 1. The regulation has never been enforced, nor has there been any move on the part of the public to insist upon compliance with the rule.

The Meaning of the Nation-Wide Celebration of General Chiang's Birthday

BY C. Y. W. MENG 孟長泳

ON October 31, the whole nation paid homage to General Chiang Kai-shek, Chairman of the Military Affairs Commission, and concurrently the President of the Executive Yuan, in commemoration of his 50th birthday anniversary. During the Manchu Dynastry and at the time of the defunct Peking government the celebration of the birthday of government officials usually took the form of giving receptions, feasts, entertainments—which, it is evident, were only a waste of money from the national treasury. In sharp contrast, the celebration of General Chiang's birthday assumed a much more sensible form. The "gifts" which were presented to him by the people throughout the length and breadth of the country were not "precious stones," and other "valubles," but "patriotic fighting planes."

Everywhere, elaborate celebrations were planned many weeks ahead, and everywhere the celebrations were held in a most enthusiatic manner. Every city was not only beflagged, but was posted with "slogans," such as "Give full support to our leader—Gen. Chiang Kai-shek;" "To strengthen the air forces is to strengthen our national defence;" "To present planes to our Government is an expression of our patriotism," etc.

In spite of repeated personal appeals from General Chiang for a quiet and simple observation of the occasion, the people are showing in every way possible the appreciation of the distinguished service the leader has rendered to the nation. Everywhere we could see Chinese words, written in golden letters such as "Yu Kuo Tung Ching," (與國同慶), meaning "living as long as the country;" "Support Chairman Chiang," very much in the same way as "Heil! Herr Hilter!" in Germany today!

This was particularly so in the Capital. A festive atmosphere permeated Nanking on October 31. The gateways to all the Government offices were decorated with wreaths in red, with bags, banners and lanterns. The display in front of the Ministry of Railways attracted the most attention, with a huge seven-foot portrait of the Generalissimo, flanked by beautiful floral decoations. This was the first Red Letter Day ever to be celebrated on so wide a scale under Republican China!

This picture was taken after the banquet which was given by Gen. Ho Ying-chin, Minister of War, acting on behalf of General Chiang Kai-shek, to important Government officials in the Officers' Moral Endeavor Association on the occasion of General Chiang's birthday at Nanking on October 31. The photograph includes President Lin Sen, General Hsiang Han-pin, Deputy-Commander of the 4th Army, Ling Kang-hou and Wang Hsiao-lai of Shanghai (all seated) and others.—*(International News Photo, Courtesy The China Press).*

An Historic Event

The platform where the ceremony was held was gaily decorated with drawings with an aerial motif, flags, banners and posters, with many encouraging "slogans," such as "Revival," "Forward," "Subduing the Enemy," "Revenge," "Resistance to the Outside Aggression," "Wiping out the Humiliation," "Struggle," etc. The people, who packed the airdrome to the fullest capacity, all carried banners in their hands, which bore such slogans as "Recover the Lost Territories!" and others of similar import.

In the morning of October 31, history was made at the Ming Palace airdrome when a mammoth crowd of 200,000 people, or one-fifth of the Capital's one-million population, gaily witnessed the ceremonial presentation of fifty-five gift airplanes to the National Government in honor of General Chiang's birthday. In a short speech, General Wang Po-ling a Kuomintang Central Executive Committee Member, formally presented the airplanes to the National Governmeut. General Ho Ying-ching, Minister of War, received them and expressed thanks on behalf of the Generalissimo who was away in Loyang. Tai Chi-tao, President of the Examination Yuan, spoke on behalf of the Central Kuomintang Headquarters.

While His Excellency, President Lin Sen, the beloved chairman of the National Government, was on his feet speaking into the microphone and accepting the gift airplanes, thirty-five of them roared directly above the three platforms and the crowds —in two formations of sixteen and nineteen ships each—writing across the sunny sky the two Chinese characters "Chung Cheng," which is the courtesy name of the Generalissimo. The flight drew deafening applause and cheers from the spectators down below, and Lin Sen had to stop speaking for several minutes, as he found it impossible to pitch his voice against the roaring of the air fleet. Before the aged chief executive had time to finish his speech, an even large squadron, this time comprising fifty-five airplanes in all, swept the field one by one in single file. Each of them dipped in salute in front of the control platform on which Mr. Lin was then winding up his speech in praising the Generalissimo.

While the bands were playing, the crowds cheering, and the airplanes hovering above, every loyal citizen and faithful party worker believed that Dr. Sun Yat-sen, looking from the Purple Mountains, the picturesque background for the gigantic occasion, must feel the satisfaction of knowing that one of his policies, namely, national salvation through aviation, is today gaining nation-wide support. The fleet of war-hawks, all fast, powerful and of the latest model, were bought with funds contributed by the Chinese people, men and women, young and old, living both at home and abroad, because of their conviction that a nation not militarily strong invites foreign aggression.

"Manchurian & Jehol Planes" at Nanking!

Although only 55 planes were actually presented on Oct. 31, an unofficial check-up reveals that the total number of machines realized by the current fund-raising campaign will exceed one hundred. So far, Nanking leads the nation with eighteen machines, while Shanghai has given ten planes. Kiangsu bought nine, Fukien seven, Chekiang six, Hupeh five, Hunan three, Kiangsi three, and Szechuen three. Other provinces,

including Kweichow, Suiyuan, Shansi, Anhwei and Kansu gave one each. Although commencing its campaign late, Kwangtung is now forging ahead and promises to overtake all other provinces in the land. Reports to hand so far reveal that enough money will be collected in the southern province for at least twenty airplanes. One wealthy merchant alone has decided to present two machines.

The four government banks, namely, The Central Bank, Bank of China, Bank of Communications and the Farmers' Bank of China, have raised a fund of $2,500,000 with which to buy a squadron of bombers for the National Government in honor of General Chiang's birthday.

A sum of $500,000 was also contributed by all Chinese Catholic members to buy two planes.

Among the 55 planes presented, the most attractive one was named "Tungpei Chun Jen", contributed by the soldiers of the Four Northeastern Provinces of Liaoning, Kirin, Heilungkiang, and Jehol; and another named "Tungpei Min Chung," donated by the people of the Northeastern Provinces. In addition to these presents, the Northeastern people have jointly sent a congratulatory message to General Chiang, and a circular telegram to the whole country. This shows again that the Chinese always regard the Northeastern Provinces and Jehol as an integral part of China Proper!

A Stream of Greetings to General Chiang

During the past three days, a daily average of 1,000 congratulatory messages were received in Nanking. Each telegram comprised an average of 60 words, this making an aggregate of altogether 6,000 words per day. But, according to statistics from the Nanking Telegraph and Radio Administration, up to October 31, more than 5,000 greeting messages have been received, totaling no less than 300,000 words.

In his message to General Chiang, Nelson Trusler Johnson, American Ambassador to China, said: "I am delighted to take advantage of this opportunity to extend to General Chiang Kai-shek my greetings and congratulations upon his fiftieth birthday." The Czechoslvakian Minister, M. Feitscher, stated that during the past six years, since his arrival in China, he had been following the political developments and economic progress in this Republic with great interest and that by his wise leadership, personal devotion, and unstinting, sacrificing service, "General Chiang has come to be recognized all over the world as one of the greatest statesmen of our time!"

General Chiang Dedicates His Life to the Nation

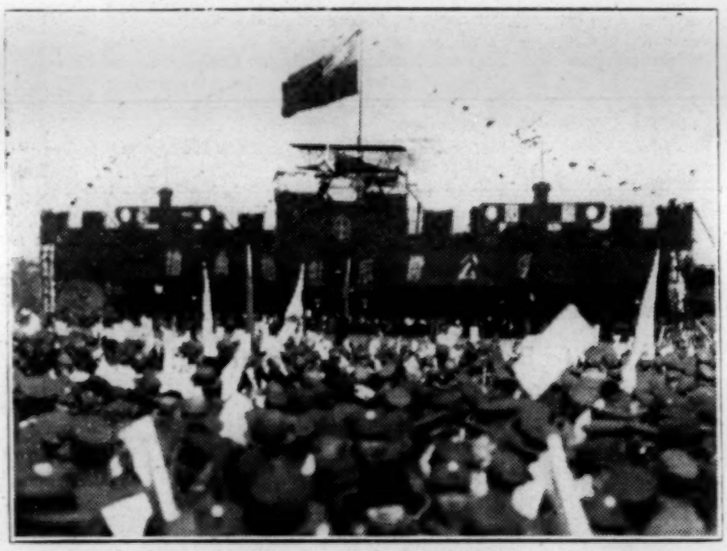
In his long message on "Some Reflections on My Fiftieth Birthday," General Chiang after describing his own personal history, said inter alia: ". . . . The past hundred years have witnessed a number of nations establishing themselves after years of hard struggle, and these nations have set before us a noble example to follow. No crops can be harvested without due share of labor and no labor is ever denied its due reward. If we can keep on struggling with singleness of purpose, we are sure to triumph over our difficulties ultimately. . . . From this we may learn a profitable lesson. In our march towards national salvation, there is no difficulty too great for us to overcome, if we have the courage and resolution. But I must point out that our success depends entirely upon our own efforts. . . . . The situation was undoubtedly critical and the crisis confronting the nation was one unprecedented in our history. But in spite of this I still cherish great hope; I find despair neither in the defeat of international justice nor in our own apparent impotence. My hope lies in the revival of our old national traits of self-reliance, self-improvement, temperance and self-consciousness. . . . I am always mindful of two things, that so long as the people are still in distress, I have not fulfilled my mother's long cherished wish, and that so long as the task of national salvation is not yet accomplished, I shall be responsible for the distress and sufferings of the people . . . . . Therefore I sincerely appeal to my countrymen to help me fulfill my mother's ardent wish—to fulfill the great task of national salvation."

In expressing his thanks, General Chiang said inter alia: that "he will redouble his efforts in the task of national consolidation and rejuvenation." The General concluded the message by appealing to all air officers to take cognizance of the high hopes their fellow-countrymen entertain in them in the task of national salvation through the nation-wide presentation of planes and to do their utmost for the country, utilizing the planes presented as best as they can to safeguard its 'independence and liberty."

The Meaning of the Celebrations

But it is significant to note that the airdrome where the ceremony took place was once part of the imperial palaces of the Ming Dynasty, whose founder Chu Yuan-chang, restablished a Chinese region in the Celestial Empire after a foreign race had been master of the land over one hundred years (during the 14th century.) Emperor Chu's task may be truthfully compared with that which confronts the nation today! Though separated by about six hundred years, they have one thing in common, namely, both aim at making the Chinese people master of their own house and their own destinies. So will the occasion signify that "another Chu Yuan-chang" has come, when China will not only drive out the "alien rule" and end the "state of military occupation" of the Northern provinces, but also put an end to the many "abnormalities" and wipe out other "humiliations," such as the existence of extrality; free movement of foreign troops on Chinese soil and foreign gunboats in Chinese waters; holding of many maneuvers, not only within the treaty ports, but also in the interior of China—regarding China as if it were "A No Man's Land." The Chinese people are giving their full-hearted support to our leader, and we hope earnestly that our leader will shape the destinies of the Nation towards said direction!

Nanking, November 1, 1936.



This picture shows a part of the huge crowd of 200,000 that thronged the Ming Palace Airdrome at Nanking to witness the presentation of gift airplanes for General Chiang on Oct. 31.—*(International News Photo, Courtesy The China Press).*

Japanese Statesmen Join in Congratulations

Among the messages of felicitation received by General Chiang Kai-shek, from foreign statesmen and envoys were those from Mr. Hirota, Premier of Japan, Mr. Arita, Japanese Foreign Minister, and Mr. Kawagoe, Japanese Ambassador to China.

Chiang Birthday Celebrated in Canton

Amid the almost continuous firing of crackers, Canton celebrated the 50th birthday of General Chiang when a mass meeting was held at the Sun Yat-sen Memorial Hall, attended by thousands of people, including many high officials. General Huang Mo-sung, Governor of Kwangtung, and Tseng Yang-fu, Mayor of Canton, made stirring speeches, in which they paid a warm tribute to the Generalissimo for his revolutionary work and exceptional integrity. The entire city was beflagged, and the streets presented a scene of gaiety, with magnificent "pailous" erected everywhere. At noon a salute of 101 guns was fired from the Boca Tigris forts.

The Wuhan cities—Hankow, Wu-chang and Hanyang—were, like Canton, beflagged. Gaily colored pailous spanned the main thoroughfares, on the occasion of the General's birthday. The program in celebration of the day included meetings of Government departments, school entertainments, ahtletics and a review of volunteers at Wuchang.

Peiping was gaily beflagged in honor of the birthday of General Chiang.

Shanghai "Mainichi" Reveals Strength of China's Air Force

The *Shanghai Mainichi* Oct. 28 stated that China now has a total of 683 airplanes in service, of which 40 are employed in civil aviation and 643 for military purpose. Of the military planes, 383 are under the direct control of the Nanking Government, while 115 are stationed in Kwangtung, 53 in Kwangsi, 15 in Shansi, 20 in Szechwan, 11 in Yuannan, while 24 others are distributed among various local militarists, with 24 attached to

the Navy Ministry. In addition to the total given above, 60 machines have been purchased as gifts to the Central Government in connection with the 50th birthday of Gen. Chiang Kai-shek. Thus China has a force of over 700 airplanes. According to present plans of the Government, an additional 300 planes are to be purchased by the end of this year, bringing the force to over 1,000 machines. These will be bought in Britain, U.S.A., Germany and Italy. Airdromes and landing fields in China at the present time are distributed as follows: Chekiang 20, Kiangsu 19, Fukien 11, Anhwei 16, Honan 8, Shantung 4, Kiangsi 16, Hupeh 11, Hunan 15, Kwangsi 10, Hopei 5, Yunnan 3, Shansi 1, Kweichow 1, Kansu 7, Sinkiang 3, Chahar 1 and Suiyuan 1.

Airdrome at Nanyuan to Be Improved

Complying with a request tendered by the China National Aviation Corporation, General Sung Cheh-yuan, chairman of the Hopei and Chahar Political Council, has ordered improvements to be made in the Nanyuan airdrome. These include the construction of two cinder tracks to facilitate the landing and taking off of planes. The tracks to be built will measure 725 metres in length and 30 metres in width and the large quantity of cinders required will be supplied by the Power Plant at Shichingshan west of Peiping, and will be transported free of charge by the Peiping-Suiyuan and Peiping-Liaoning railways. Labor will be furnished by the 29th Army and technical questions concerning the building of the cinder tracks will be looked after by the Peiping Bureau of Public Works.

73 Pupils Now Training as Engineers and Pilots at Hongkong Air School

Rapid progress in its various fields of activity is being reported by the Far East Flying Training School in the British colony of Hongkong which, besides Shanghai, is the only place in China where training in commercial aviation can be obtained. Opened in the early part of 1934, the school has at present 73 pupils under training, either as engineers or pilots, or both. With the exception of a small minority of Europeans, all the students are Chinese.

Hongkong to Become Largest Commercial Air Junction in the Far East

With three air-lines converging on Hongkong, the Colony will shortly become the biggest commercial airways junction in the Far East.

Arrangements have been made, it is learned, for machines of Pan-American Airways on the trans-Pacific run, via Manila, and of the China National Aviation Corporation to fly into Hongkong instead of Macao. Hongkong is already the terminus for the Imperial Airways' service to the Far East.

Japanese Prison in Shanghai Crowded with Narcotic Offenders

Japanese prison consular police, who handled 49 cases of infractions in October, still have their hands full with their prison filled with 54 men and women held on various charges. Twenty-nine violations of the statutes prohibiting the sale, possession and transportation of narcotics, officially referred to as "infractions of regulations of the Ministry of Foreign Affairs," led the list of crimes and misdemeanors handled in October. Others were theft fourteen, misappropriation two, and one each of fraud, robbery, assault and intimidation. Twenty-one cases were turned over to the judicial authorities for prosecution.

Drug Store Is Raided in Shanghai—Imitation Opium Cure Found on Premises

One of the largest seizures of patent pharmaceutical preparations put up under counterfeit labels reported in Shanghai in several years was made in a raid Oct. 30, on the Great Eastern Dispensary, wholesale drug house, Canton Road, Shanghai. The raid was made on a complaint lodged with the police by the China Peace Dispensary, manufacturers of an opium cure know as Exnarcotin. The complainants maintained that somewhere on the premises of the Great Eastern concern there was a laboratory engaged in turning out an opium cure under the same name. A huge quantity of Exnarcotin was found on the premises and it was declared by China Peace Company officials to be a counterfeit of their article. Exnarcotin was not the only thing the police found on the premises. A fair-sized truck load of other opium cures was seized and it is suspected that all labels are counterfeit.

Whampoa Commercial Harbor to Be Developed Jointly by Nanking and Canton

Liu Wei-chi, Commissioner of the Provincial Reconstruction Department, in a recent interview stated that the Central Government has decided to operate Whampoa as soon as possible so as to develop the commerce of the province. Mayor Tsang Yang-fu has been appointed concurrent superintendent for the operation of Whampoa Commercial Harbor. Expenses for the operation are estimated at $9,000,000, of which $5,000,000 will be appropriated from the Central Government and $4,000,000 from the Kwangtung Provincial Government. It is expected that the agriculture, industry and commerce of Kwangtung will be much improved as the result of the eventual completion of the Whampoa commercial harbor.

Huitung Air Co. Headquarters to Be Established at Tangku

The headquarters of the Huitung Air Company, a joint Sino-Japanese concern for the operation of through air traffic between Manchuria and North China, will be established in Tangku instead of in Tientsin, according to latest reports.

The by-laws, comprising six chapters and 36 articles, governing the operation of the Huitung Air Company, have been agreed upon between Chinese and Japanese interests, according to Chinese reports. The contract for the running of the through air traffic between North China and Manchuria, and which runs for 10 years, consists of two versions, one in Chinese and the other in Japanese. In the case of disputes in the interpretation of the contract, the copy in the Chinese language shall be the official one. A board of directors, consisting of four Japanese and three Chinese, has been elected. The three Chinese directors are Chang Yun-yung, Yao Tso-pin and Liu Chih-chow. Chang has been elected Chairman of the Board and Mr. Kodama, one of the four Japanese directors, has been elected vice-chairman.

Japanese Build Air Field near Tientsin

According to Chinese reports, the Japanese are building an airfield in Limingchwang, a village under the jurisdiction of the Tientsin Municipality. The magistrate has failed to persuade the Japanese not to build the airdrome and has petitioned the Hopei Provincial Government for instructions.

South Manchuria Railway Company to Invest Yen 250,000,000 In North China

The president of the South Manchuria Railway Company, who is negotiating with Japanese financiers for the economic development of North China, has decided to invest Yen 250,000,000 in the area.

Eden Expresses Hope That Sino-Japanese Troubles Will Soon Be Adjusted

The sincere hope of the British Government that the negotiations now proceeding at Nanking between the Chinese and Japanese Governments would lead to a general easing of the tension in the Far East was expressed by the British Foreign Secretary, Anthony Eden, in the House of Commons Oct. 29 in the course of a statement on China.

Chinese Protest Against Japanese Maneuvers in North China

Commenting on the Chinese protest against Japanese maneuvers in North China, the *Shun Pao* in an editorial Nov. 1 wrote:

"While the whole nation was celebrating the 50th birthday anniversary of Gen. Chiang Kai-shek, our brethern in North China had their houses and land occupied by Japanese troops because the latter are conducting their maneuvers.

"The neighboring country has repeatedly carried out its aggressive military activities in recent years. The violation of Chinese rights over aerial flights, the stationing of troops in Chinese territory in Shanghai and Woosung, the spying activities at strategic points along the coast, are but a few of the most outstanding examples. Chinese protests against these actions have proved ineffective. Since the augmentation of Japanese troops in North China last June, the Japanese have built barracks and airdromes and conducted street fights. In other words, the treaty of 1901 has been violated and there is no security for Chinese people. The present maneuvers of the Japanese troops are reported to be on an unprecendented scale. We should take final and most determined measures to stop such activities."

The Nanking *Chao Pao* Nov. 2 commented:—"At such a time of national emergency, every one is a hero only if he joins in the resistance campaign against the enemy. All political differences should be abandoned. All political parties should be abolished and an amnesty be granted to political prisoners in order to strengthen the national front against the enemy."

Destitute Russian Mercenaries Seek to Collect Back Wages Owed by "Old Tiger"

The Shanghai *Evening Post* Nov. 3 stated that some 550 White Russian soldiers of fortune, white mercenaries who fought in the legions of the "Old Tiger," Marshal Chang Tso-lin, in Manchuria before the death of the ruler of the Three Eastern Provinces, are seeking through legal action to obtain wages and compensation amounting to $275,948,34 through an appeal to the minister of justice of the National Government of China. They have made their appeal through J. K. Artemieff, Russian attorney of Tientsin, who asks that such grant be made to assist men who are today starving and penniless, many of them ill from wounds received during the long campaigns in the north. In his letter he points out that the Old Marshal had told Mr. Artemieff that money had been set aside to pay the claims, but after his death appeals made to the Young Marshal proved fruitless. An action was filed in Hankow against Chang Hsueh-liang, but was dismissed.

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Japanese Blame British Sailors in Formosa Affair

The Tokyo Foreign Office Oct. 29 received an official report on the recent Keelung affair involving the arrest and manhandling of British sailors from the submarine depot ship *Medway*. Police at Keelung denied beating the British sailors and denied that reparation had been asked. The report described fights involving British sailors in cafes situated in the licensed quarters of Keelung, as well as the disturbance arising from the failure of British sailors to pay taxi drivers. A *U. P.* message stated that Japanese authorities in Tokyo regard the postponement of the proposed visit to Tokyo of Admiral Sir Charles Little, Commander-in-Chief on the China Station, as unconnected with the Formosan incidents. Officials in Tokyo, it was stated, appear to be amused rather than affronted by the delay in the visit, regarding the postponement as purely a British affair in which the Japanese Government is in no way involved since Vice-Admiral Little had not been officially invited to Japan.

The Keelung "incident" involving several British sailors from the submarine base ship *Medway* was not reported for a week following its occurrence because the Japanese Foreign Office wished to avoid any international friction, a Gaimusho statesman in Tokyo said Oct. 30. The Formosan judiciary, however, has been instructed to carry on further investigation of the affair, it was said.

Referring to the British charge that three sailors had been beaten by the police, the spokesman said that following a quarrel with a taxi-driver the sailors were taken to a police station where they were placed in a room "to sober up." They are alleged to have thrown open drawers, sprung on tables and destroyed official property. British officers who arrived on the scene then took the three men away.

British Sailors in 21 Brawls in Keelung, Tokyo Police Say

In the four days that the British depot-ship *Medway* and her 11 charges were in Keelung, Formosa, early this month, 21 cases of alleged disorderly conduct by British ratings were reported to the police, the spokesman for the Japanese Foreign Office stated in Tokyo Oct. 30.

Three British Sailors Relate How They Were Tortured by Police in Formosa

On their arrival in Hongkong early this week, the three men related how, on returning to Keelung on Oct. 7 from Taihoku where they had been on a sight-seeing tour, they paid off their taxi at the full fare of six yen which had been agreed on before the trip. They then proceeded to a cabaret. Shortly after 1 a.m. some policemen and a police officer came to the cabaret and demanded that they again pay the taxi fare. The sailors stated that they had already paid the driver. They were then asked to accompany the police officer to the head office of the taxi-cab company. Instead of proceeding there, however, they were taken to the police station. As soon as they were inside the police station they were set upon by a number of policemen and violently thrown into chairs. A confession was drawn up and they were told to sign it. When they refused to sign each man was seized by a number of policemen. The men's arms were firmly held behind their backs while a Japanese officer repeatedly struck them in the face with his fist. This went on for some time. The proceedings were at last interrupted at 2.30 p.m. by the arrival of Lieutenant Pat Beresford of H. M. S. *Bruce*. The British officer requested the men's release. The Japanese police officer told him to leave the building, shouting: "You are no British officer. You are another drunken sot. Get out of here."

Lieutenant Beresford then asked the Japanese Police officer his name. Threats were poured upon his head and he was warned that he would be imprisoned unless he withdrew immediately. Fearing that his presence would make the situation worse, Lieutenant Beresford left the police station and returned to his ship. As soon as he had left, the Japanese police officer continued hitting the British sailors. Harrison lost two of his teeth. Smith's face became badly cut and Turner's jaw was dislocated.

Their resistance breaking down, Harrison and Smith agreed to sign the confession but Turner, in spite of his dislocated jaw, refused to add his signature. He was then dragged to a cell where he was submitted to torture. The torture consisted of bending his right arm behind his back. Between the upper part of the second and third fingers of his right hand a fountain pen was inserted. His fingers were then pressed around the pen, causing the most excruciating pain in the knuckle joints. After a period of torture Turner agreed to add his name to the confession. On this the three men were released. Suffering great pain they found their way back to their ships. They were not released until 7 a.m., six hours after they had been taken from the cabaret.

Pneumonic Plague Breaks Out in Fukien Province

A serious epidemic of what seems to be pneumonic plague has broken out in a village 120 li from Kutien, in the province of Fukien on the Great East Road between Kutien and Ningteh. About 40 deaths have occurred in the village and each day adds four or five to the death toll. One entire family has succumbed to the scourage.

Minister Kung Issues Financial Report for Fiscal Year July 1934 to June 1935

Dr. H. H. Kung, Minister of Finance, in concluding his report for the fiscal year ending June, 1935 said: "As far as financial administration is concerned, the Government, while consolidating the progress already achieved, must guide itself particularly by the following principles:

1. Curtailment of unnecessary or non-productive expenses in order to allow increased outlays for productive and reconstruction purposes.

2. Careful selection and training of tax collecting personnel so as to increase administrative efficiency.

3. Readjustment of the existing taxes and development of desirable new taxes with a view to producing the maximum of revenue without causing undue hardship to the people's economy.

4. Continued efforts to modernize provincial and local taxation and to develop it in harmony with national taxation.

5. Reform of the banking system and promotion of a rural credit system so as to facilitate other measures of economic reform, particularly rehabilitation of rural economy.

6. Completion of the unification of the currency system and maintenance of the stability of the exchange value of the National currency in order to stabilize the financial situation.

7. Continued efforts to seek settlement of debts in arrears in order to improve national credit.

"During recent years, the Government has been obliged by circumstances to devote chief attention to meeting its immediate needs. It cannot be too often repeated that in the future, the Government should devote its major efforts to economic reconstruction. To this end, the Government must, above all, establish a more effective budgetary system with a view to a definite control of expenditures. But the attainment of budget equilibrium, though much to be desired, is not an adequate objective in itself. Under conditions existing in China, sound Government finance must go a step further; it must provide for concrete measures to develop the economic resources of the country and to improve the livelihood of the people."

DR. H. H. KUNG, Minister of Finance, Nov. 2 issued his Report for the twenty-third fiscal year, ending June 30, 1935—the third since he assumed the post. The Report has been published in brochure form by the Ministry and in its entirety is too long to be reproduced in these columns. In his Report, Dr. Kung says China's Budget Deficit during the fiscal year 1935-1936 was even larger than in 1934-1935, according to preliminary figures, and there was a material decrease of customs revenue in the past twelve months, due to wholesale smuggling in North China, international complications discouraging import commitments, reduced purchasing power due to floods and communist activities, and the lessening of imports due to lower exchange.

The National Debt stands at $335,000,000 but the major development during the year was the consolidation of internal debt, excepting four issues totalling about eight per cent of the total consolidation loan which substitutes five series of bonds totalling $1,400,000,000 in place of 33 former issues and which now makes possible to reduce debt charges by about $85,000,000 yearly. The budget deficit for 1935 is 20.8 per cent, the deficit being approximately $196 million with net total revenue at $745 million and net total payments at $941 million. Against this can be offset an approximate total of debt retirement of $125 million. Further, despite shrinkage of revenue and special demands on expenditure, the two largest items of budgetted expenditure (military at $388 millions, equalling 41.2 per cent. of net total payments, and loan and indemnity service at $237 million, which equals 25.2 per cent of net total payments) were maintained while educational and reconstruction expenditure increased from 2.87 per cent for the previous year to 6.25 per cent of net total payments at $58,804,107. The chief achievement of the year, however, was in currency reform introduced in November 1935, substantiated by the coinage reforms, taxation consolidation, provincial and local budgetary reorganization and general stabilization of the national finances. On November 3, 1935 the Government decreed that notes of the Central Bank of China, the Bank of China and the Bank of Communications shall be full legal tender; that holders of silver shall exchange it for legal tender notes; and that the exchange value of the Chinese dollar shall be maintained at its then level through the purchase and sale of foreign exchange by the three banks. The program included the reorganization of the Central Bank as a Central Reserve Bank, and also measures of banking reform and the balancing of the national budget.

The currency reform has fulfilled the expectations of success and has met with widespread approval both in China and abroad. Deflation has been checked, as evidenced by the rise in the general index of Shanghai wholesale prices from 90.5 in July, 1935, to 106.1 in June, 1936. The new level of exchange has been firmly maintained and is proving beneficial to the economy of the country. Rates have enjoyed a stability never before known in China, to the great advantage of trade. Since adoption of the reform the external currency reserves have been substantially augmented as the result of sale of large amounts of silver to the American Government. The reserves of silver within China have also been strengthened through the acquisition of about $225,000,000 of silver by the Currency Reserve Board since November 3, 1935. The recent improvement in the situation in the Southwest clears the way for extension of the currency reform to that region, thus making possible a further measure of financial unification.

In addition to the above, the following points are covered in the Report:

Budget Disquilibrium—"For the fiscal year ended June 30, 1935, the gross deficit was $196,000,000. Omitting capital items amounting to $73,500,000 . . . the operating deficit was about $122,500,000."

Causes of disequilibrium were:

Disturbed economic conditions, currency fluctuations, and uncertainties in external situation, seriously curtailed foreign trade;

Customs and Salt revenue in the Four Northeastern provinces has been made unavailable;

The aggravated smuggling situation in North China has greatly impaired Customs revenue;

Heavy expenditures for flood relief and rehabilitation, for aid to banks and industrial enterprises and to provincial and local authorities, and for putting down communist-bandit activities have caused a strain on the budget.

Measures were adopted to improve the administration of taxation, which have reduced the ratio of expenses to total tax receipts from 11% in 1931 to 9.2% in 1934-1935.

In January 1936, the Government and representatives of the bondholders agreed upon the scheme of consolidation of internal debt, substituting for the previous 33 issues of Domestic Bonds with 5 series, totalling $1,460,000.00.

Marked progress has been made in settlement of railway debts in arrears.

Budget estimates for 1936-1937 total $990,658,450, as against $957,154,006 for 1935-1936.

In the course of his report, Dr. Kung also said: "No part of the customs and salt revenue collected in the four Northeastern Provinces has been made available for service of the nation's obligations. Finally, the aggravated smuggling situation developed in North China, commencing in the fall of 1935. Although stringent measures regarding the prevention and punishment of smuggling were adopted, the customs authorities in the North have been prevented from curbing the illegal activities of foreign nationals enjoying extraterritorial privileges. The smuggling has increased so that at one time the duty leviable on smuggled goods reached about $2,000,000 weekly. Apart from this impairment of revenue, the dumping of smuggled goods is highly injurious to the economy of the nation as well as to the trade of legitimate merchants both Chinese and foreign."

Sudden Devaluation of the Shansi Currency

It was reported in the *Shanghai Mainichi* Nov. 3 that the sudden devaluation of the Shansi currency at a ratio of one dollar, and fifty-four cents to one dollar in legal tender is due to the fact that Yen Hsi-shan, Governor of Shansi, in order to express his loyalty to the Central Government, has ordered that all revenues be collected in legal tender and that the funds for military expenses be withdrawn from the banks in cash. Besides, the impending situation in Suiyuan is another cause for it, it was said.

Japanese Operate 1,636,604 Cotton Spindles in China

Statistics rathered by the Chinese Cotton Millowners' Association of Shanghai and published in the October issue of the Chinese *Economic Journal* show that:

Chinese own 31 cotton mills in Shanghai, Japanese own 30 and the British own four. The 30 Japanese mills in Shanghai,

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however, operate 1,636,604 spindles, a total of 400,000 spindles more than the 31 Chinese mills.

Of the 143 mills in China, 95 are owned by Chinese, 44 by Japanese, and 4 by British. Chinese mills in 1935 had a total of 24,861 looms, while Japanese mills had a total of 23,127 looms. Chinese mills in the same year had 3,009,000 spindles, while Japanese mills had 2,285,000 spindles.

The 31 Chinese cotton mills in Shanghai employ 45,159 workers and consume 1,945,228 piculs of cotton a year. They produce 555,358 bales of yarn and 134,281,000 square yards of piece goods each year. The 30 Japanese mills employ fewer workers, but consume more cotton. They produce 443,246,000 square yards of cotton piece goods, some 308,965,000 square yards more than the Chinese mills.

Troop Disbandment Helps Canton Finances, Says Gen. Hsiang Han-ping

Since the amicable solution of the Liang-Kwang imbroglio, the financial and military situation in Kwangtung, has been much improved, according to Gen. Hsiang Han-ping. Deputy Commander-in-Chief of the Fourth Route Army, who arrived in Nanking recently in company with many other officers of the army on an inspection trip.

Following the settlement of the Liang-Kwang problem, Gen. Hsiang continued, gambling and opium-smoking, two great evils in Kwangtung under Gen. Chen Chi-tang's regime, have been strictly prohibited. This reduced the provincial revenue by more than $2,000,000 as a result of the abolition of taxes and levies on the gambling and opium-smoking business. Despite further reduction of the provincial revenue, the disbandment of troops, Gen. Hsiang affirmed, has slashed down the military budget considerably and relieved the financial difficulties of the province. No great difficulty, according to Gen. Hsiang, was experienced by Kwangtung in the disbandment of troops as all army officers and soldiers realized the necessity of reducing the military budget and unifying the military command under the Central Government.

Japanese Gun-Boats Leave Hankow for Changsha

Two Japanese gunboats, the 215-ton *Toba* and the still smaller *Kotaka*, proceeded from Hankow Nov. 3 for Changsha, as a result of an attack the previous day upon a clerk in the Japanese Credit Co-operative Society in the Hunan Capital.

The clerk was taken to the Dojin Hospital, having been slashed about the head and the face by an unknown assailant. His condition is described by attending phhsicians as not serious, none of his eight wounds having touched vital organs.

News Agency Director and Assistants Arrested in French Concession

At the request of the Headquarters of the Shanghai and Woosung Garrison Commander, the French Police Nov. 3 arrested Yueh Chien-chun, director of the *Hwa Lien* News Agency, and two employees, Wu Chang-shih and M. Hu. They were reported to have been wanted in a political case, but no charge was filed against them. The trio were handed over to the high Chinese authorities by whom the order of arrest was issued. The agency specializes in news despatches on Sino-Japanese relations.

Earthquake Rocks Wide Area in Northern Japan

An earthquake early on Nov. 3 rocked a wide area extending from Tokyo northwards to Aomori.

The tremor, officially described as being of "medium intensity," shook off roof tiles, cracked window panes and caused telephone and power lines to snap. Clocks were also stopped, the pendulums being affected by the horizontal motion. No casualties were reported.

Chairman of B. & C. Corporation Pays Tribute to Chinese Solidarity

An article on Chinese Problems and British investments in the September issue of the *China Review*, of London, by D. G. M. Bernard, Chairman of the British and Chinese Corporation of London, states that it is a notable tribute to the tenacity and essential solidarity of the China people that during all his toil and trouble in China, the Nanking Government appears to be successful in slowly but surely consolidating its position and extending the area within which the writ of its authority may be said to run.

Income from State Lottery Prizes Subject to Income Tax

Income accruing from prizes offered by the State Lottery and the Central Savings Society is subject to payment of Income Tax, according to a ruling rendered by the Ministry of Finance.

Subsidiary banknotes, amounting to $2,500,000, to be issued by the Anhwei Regional Bank, will be printed [illegible] the Ministry of Finance.

Chiang Kai-shek Meets Soviet Representatives in Sian?

A Tientsin message dated Oct. 31 published in the Shanghai *Nichi-Nichi* stated that it is understood that Chiang Kai-shek, while at Sian busied himself with making full preparations against Japan in Western China. It is alleged that the Sino-Soviet Military Agreement, which Chiang Kai-shek secretly concluded with the Soviet authorities in March of this year, has recently become more and more materialized. The contents of this agreement allegedly contain the following five items:

1.—The Northwestern Chinese Provinces will be granted to the Chinese Red Army as its base. The Central Government Forces will immediately stop the punitive expedition against the Reds.

2. For the sake of the territorial integrity of China as an independent state, the Chinese Red Army will not organize any autonomous regime.

3.—The Chinese Red Army will amalgamate with the Central Government Forces for joint resistance against Japan under the command of Chiang Kai-shek.

4.—China and Soviet Russia will make best efforts to bring about a most satisfactory adjustment of Sino-Soviet relations.

5.—Soviet Russia and China will form a joint anti-Japanese front, the time, scheduled for the joint declaration of war against Japan, being December of this year.

It was intimated that Chiang Kai-shek interviewed the Soviet representatives in Sian for a discussion of detailed items in addition to those contained in the secret agreement.

The Conference at Loyang

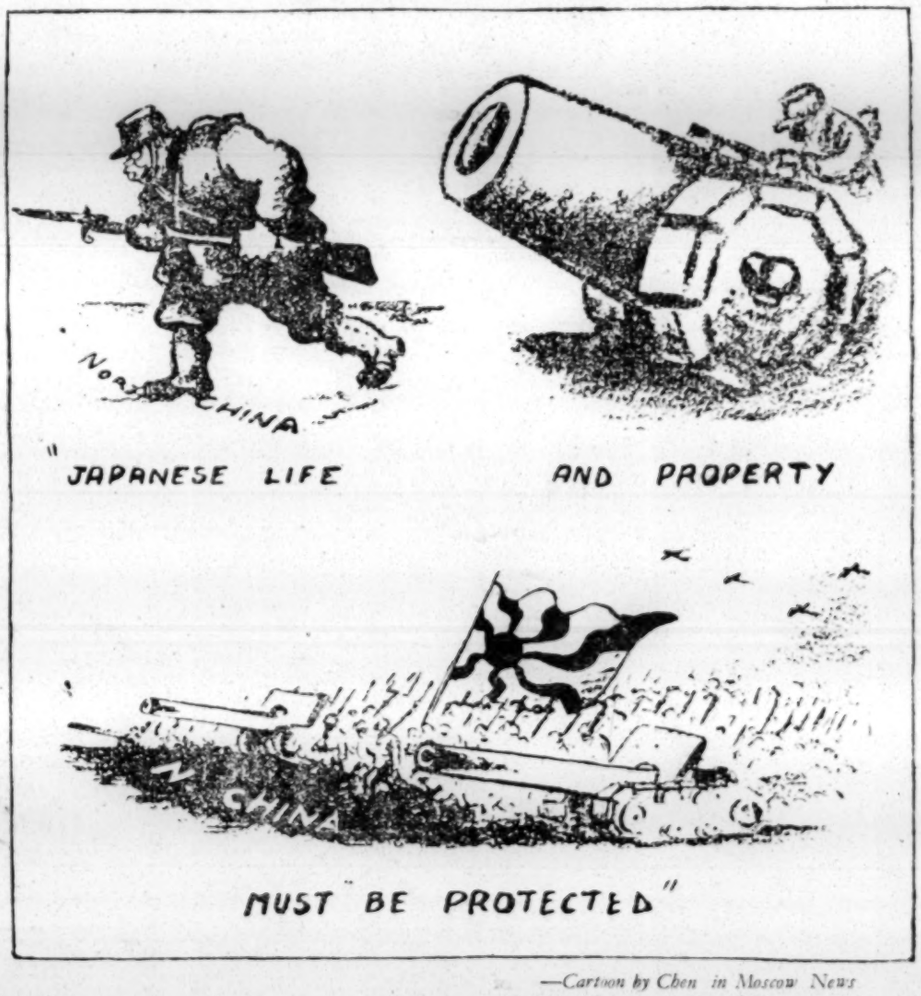
A telegram from Peiping in the Shanghai *Nichi Nichi* Nov. 1 reported that Chiang Kai-shek, President of the Executive Yuan, upon his arrival in Loyang on Oct. 30 convoked a third anti-Japanese military conference with Chang Hsueh-liang, Vice-Commander of the Anti-Red Army in the Northwestern Provinces, Yen Hsi-shan, Governor of Shansi, Hsu Yung-chang, Pacification Commissioner for Shansi, Fu Tso-yi, Governor of Suiyuan, Shan Chen, Governor of Honan, Ho Yao-tsu, newly appointed Ambassador to Turkey, and other military leaders, for a final discussion of the military preparations in North China. It is alleged that at the meeting, Chiang Kai-shek divided China into five military areas as follows: (1) Chiang Kai-shek to be the Commander of the army in the first military area; (2) Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, to be the Commander of the army in the second military area; (3) Yen Hsi-shan to be the Commander of the army in the third military area; (4) Chang Hsueh-liang to be the Commander of the army in the fourth military area; (5) Li Tsung-jen, Pacification Commissioner for Kwangsi, will be the Commander of the fifth military area. Chiang Kai-shek will concurrently undertake the position of Chief Commander of the Chinese Army. The Japanese telegram commented that the attitude which Chiang Kai-shek has taken up, as he has persistently stuck to the policy of shooting two birds with one stone, will, no doubt, evoke a gloomy future for Sino-Japanese negotiations.

China's Communist Army Ready to Restore Status of a Decade Ago, Says Edgar Snow

Edgar Snow, American author and correspondent for the Baltimore *Sun* and the London *Daily Herald*, recounted his experiences at Peiping Oct. 29, after a three-month trip to the Communist-occupied areas of Kansu and Shensi. He said China's Communist army is seeking to restore the state of affairs that prevailed from 1925 to 1927 by joining hands with Nanking to form an anti-Imperialist front.

Close co-operation existed between the Chinese Communists and the Kuomintang from 1925 to 1927 when Michael Borodin and Marshal Blucher, then known as Galen, acted as advisors to Chiang Kai-shek. The Communist forces, Mr. Snow estimates, now comprise about 10,000 men less than when they were in control of areas in Shansi. This numerical loss, however, has been more than made up by the strengthening of the control of the leaders, in the opinion of Mr. Snow, who believes as a military unit the red army is more formidable than before. Using excellent radio apparatus, the Red leaders are constantly in touch with world affairs by listening in on broadcasts from Moscow, Nanking as well as Tokyo. What is most noteworthy," he went on, "is the fact that their political objective lies not in the overthrow of the Nanking Government, but in opposing Japan." In their determination to fight Japan, Mr. Snow said, the Reds are willing to unite with Nanking.

THE OLD, OLD STORY



—Cartoon by Chen in Moscow News

Soviet Railroads Prepare for War

Moscow advices state that the Russian railway system is being placed on a military basis, in preparation for the war with Germany which Soviet authorities are constantly predicting. Under the direction of Joseph Stalin's right-hand man, L. M. Kaganovich, and with the assistance of the railway section of the state police—formerly the Gaypay-oo—practically all railway workers are being given military training, and the police are closely investigating the personal history of every applicant for work. Only those of proven loyalty to the present regime are accepted. The commissariat of the Interior is unostentatiously increasing its railway police section, which at the same time is exercising wider supervision of all railway workers.

Soviets Question Manchurian Fisherman on Conditions

Of the nine Manchurian fishermen said to have been captured by the Soviet frontier guards on the Ussuri River since Sept. 21, only four have returned to their homes, the *Kokusai News* Agency reports. The men who returned said that they had been questioned at length on the conditions in the districts of Jaoho and Wuyuan.

World Atheists to Meet at Moscow

A "World Congress of Godless and Free-thinkers" has been convened for Feb. 7, 1937, at Moscow by the "Central Council of the God-less." The organizing committee estimates that about 1,600 participants from 46 nations will proceed to Soviet Russia for the congress.

The Foreign Opposition to China's Income Tax

BY O. K. LEE

ACCORDING to official announcement, that part of the Income Tax Law affecting foreigners in China will be enforced from January 1937. In the meantime, however, general opposition to the tax continues among foreign communities, despite occasional expressions of sympathy with the levy.

It would be quite understandable if the opposition were limited to the taxation of the foreigners' own incomes, because, in the words of the *China Press*, "it is only human nature to cling to one's worldly goods with all might," but, the objection to the taxation of Chinese deposits in foreign banks and of the salaries of Chinese employees in the service of foreigners is absolutely inexplicable.

The arguments so far advanced for the opposition against the taxation of the foreigners' own incomes, are based mainly on extraterritoriality, a weapon which extraterritorial foreigners never fail to employ when they find no other legitimate means to evade some obligation to the Chinese Government.

The extrality argument in the present case clearly does not hold water. Its invalidity is well exposed in an article entitled "The Income Tax in International Law" published in the *China Critic* of September 24, from which the following paragraph may be quoted:

> "We all realize that extraterritoriality in pratice in China has been subject to a number of unwarranted and illegal extensions, for which treaties provide no basis. Extraterritoriality in its true meaning and effect limits itself to the fact that extraterritorial foreigners can only be sued civilly or prosecuted criminally in their own consular or special courts in China in accordance with the laws of their own countries. The treaties, however, do not exempt them from payment of duties or taxes to the Chinese Government. The framers of the treaties must have contemplated that for the privilege of trade and residence, it is only fair that their nationals should pay duties and taxes."

Some foreigners, however, realize the fallacy of the extrality argument inasmuch as the taxation is an administrative right of the Chinese Government and the extraterritorial treaties provide only for judicial but not administrative privileges, and, thinking themselves cleverer than the rest, take their stand on the need for "universal application, equitable assessment and effective collection," which, however, is as untenable as the plea of extraterritoriality. To the arguments of these foreigners able refutations have already been made in some of the local journals. For example, the following words may be quoted from an article in the *People's Tribune* dealing with the question of income tax on extraterritorial foreigners:

> "It is urged that not until the Law is completely, equitably, and effectively applied throughout the whole of the Republic should the Treaty Powers consent to its application to their respective nationals. If this contention is accepted it means that foreigners will escape income-tax so long as it can be shown that the National Government's tax-collectors, say, in Shansi, Yunnan, or Hainan Island are not functioning "efficiently" and applying the screw "completely and effectively" to every peasant within their jurisdiction. Such an argument is really too absurd for serious consideration. Can a foreigner living in London successfuly resist an income tax demand because he has reason to believe that "bog-trotters" around Belfast had escaped the collector's attention, or some of the the people up in the mountains of Wild Wales or Bonnie Scotland had not paid their just dues? Would a New York Judge accept as an excuse for not paying income-tax a story about the "inefficiency" of the tax-collection administration in Alaska?"

(*Continued on page 377*)

Generalissimo and Madame Chiang Kai-shek desire to thank all friends and well-wishers who sent messages of congratulation on the Generalissimo's fiftieth birthday and to accept this as expression of appreciation since it is impossible to make individual acknowledgment to so many thousands.

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Japanese Army Prepares Plans for National Defense

A comprehensive plan for a reorganization of Japan's defenses is being drafted by the War Office, in close collaboration with the Bureau of Natural Resources, the *Tokyo Yomiuri* Nov. 2 stated. The plan, which will in effect provide for the mobilization of the nation's manpower and resources in times of stress, will be submitted to the Diet for enactment, the journal added. The plan, the *Yomiuri* understood, included the following provisions: Safeguarding of those raw materials which Japan lacks, such as mercury, iron, and oil; a reform of the productive organization of the nation, so as to ensure an efficient division of labor between the big and smaller factories; training and control of labor; a large-scale development of untapped water power resources; suppression of the flight of capital and control of industries; and "moral mobilization," aiming at fostering and developing a "sound national thought."

Japanese Millionaires to Contribute to Army

Patriotism was given as the reason for the decision of Japan's "big business" to contribute a total of Yen 165,000,000 to the national defense fund. Among the contributors will be the Mitsui, Mitsubishi and Sumitomo concerns, which are heavily interested in the munitions industry. By their action, *Domei* was informed, the firms will demonstrate their intention to share with others the burden of the armament program, necessitated by the current crisis in international affairs. The entire amount, according to the current plans, will be contributed to the Ministries of War and Navy in three annual installments of Yen 55,000,000 each.

Seiyukai Opposes Big Japanese Armaments

Members of the Tokyo Cabinet were warned by the Seiyukai party, Nov. 2, that a budget which would favor the defence requirements at the expense of industry would meet with bitter parliamentary opposition at the next session of the Diet next month. The warning was served by Mr. Ando, Secretary-General of the Party, in a series of calls made on Dr. Eiichi Baba, Minister of Finance; Yonezo Mayeda, Minister of Railways; and Tosiio Shimada, Minister of Agriculture and Forestry. The last two represent the Seiyukai in the Cabinet.

Japan's Grand Fleet Reviewed by Emperor Hirohito

Emperor Hirohito Oct. 29 reviewed the Japanese Grand Fleet in Osaka Bay. One hundred and eight warships, with an aggregate tonnage of 600,000, formed a 13-mile column, headed by the battleship *Nagata*. More than 200 naval planes roared over the Imperial Flagship in a formation flight, commanded by Rear-Admiral Saburo Satoh, head of the First Naval Air Corps.

Ex-Minister Ogawa Starts Prison Term

Heikichi Ogawa, 68-year-old former Minister of Railways, convicted of having accepted a bribe in a deal involving the nationalization of five private railway lines, Oct. 30 began serving his two-year prison term. Released on parole until Nov. 7, after being sentenced in the Supreme Court on Sept. 19, to enable him to settle his personal affairs, Mr. Ogawa on said date surrendered at the Procurators' Office. He was taken to the Ichigaya Prison before being transferred to the Toyotama Penitentiary to serve his sentence.

Fresh Railway Scandal in Japan—Former Minister Being Questioned

Forecasting sensational political repercussions, Shinya Uchida, former Minister of Railways, was summoned to the office of the Procurator in the Tokyo District Court Oct. 31 for questioning, in connection with an alleged bribery scandal. Fumikichi Hijima, former member of the House of Peers and president of a contracting firm bearing his name, is being held by the judiciary on charges of having offered bribes to railway officials. A contribution of Yen 50,000, made last year by the Public Works Contractors' Association to the election fund of a political organization in Ibaraki Prefecture with which Mr. Uchida is closely connected, is understood to figure prominently in the case.

Hearts of Japanese Said to Be World's Strongest

The Japanese may be small of stature, but their hearts are the strongest in the world, if one is to believe the conclusions reached in Tokyo by a committee appointed by the Home Office to study the nation's health. A statistical report prepared by the body shows that three times as many people die in France of heart disease as in Japan. Athletic circles say that the committee's findings are substantiated by the Japanese excellence in swimming and long-distance events, which require strong hearts.

Construction of Nine Ships Being Hurried in Japanese Dockyards

Japanese dockyards are rushing the construction of nine ships, with a total displacement of 50,000 tons, being built under the state-subsidized third ship-building program. Three vessels totalling 21,000 tons, will be launched before the end of this year, while the keels of the remaining vessels will be laid in the middle of next month and completed next June.

Japan Foreign Office May Consider Export Credits

To keep pace with the growth of Japan's export trade, measures are reportedly to have been devised by the Gaimusho further to enhance the numerous facilities enjoyed by the Japanese exporters in their dealings with China. *Central News* says that, imitating British precedent, the Japanese Government, is prepared to undertake the guarantee of short term credits to Japanese exporters. Special attention, however, will be given to those branches of trade having important bearing on Japan's economic policy vis-a-vis China.

Trade of Japan With China Growing, Despite Diplomatic Tension, Says "Nichi Nichi"

Japan's trade with China is advancing in inverse proportion to the tension in the diplomatic situation, the Tokyo *Nichi Nichi*, a leading metropolitan daily, reported Oct. 30. Contrary to general expectations, the journal said, Sino-Japanese trade is not affected by the current negotiations in Nanking, but is showing a remarkable increase. In the past, a strain in relations between the two countries invariably was accompanied by a Chinese boycott of Japanese goods. The growth of Japanese exports to China has, however, temporarily been checked by the advances made by German goods in the Chinese market.

Japanese Exports Register Big Gains in Last Ten Days of October

With the exports of raw silk, cotton textiles and sundry goods registering large gains, Japan's foreign trade for the last third of Oct. 31 resulted in a favorable balance of Yen 27,642,000, one of the largest on record in recent years, the Tokyo Ministry of Finance announced on said date. The total unfavorable balance of trade since the beginning of the year, the statement added, had now been reduced to Yen 140,000,000.

Japan to Invade Beer Marts—Breweries Will Be Hit by Tax Increase

Japanese breweries, which are likely to suffer severely from the proposed 60 per cent tax increase on beer, have decided to cover their losses in earnings by an aggressive export policy. They propose to strengthen the Japanese Beer Export Association, and to increase the number of their business representatives abroad in order to maintain their present markets and to exploit new ones. Japanese beer has found its market in recent years all over the world except in Europe. In spite of the 300 per cent import duty in the Philippines, Japanese beer has established its popularity in that market.

"Literary Digest" of Sept. 26 Banned in Japan

The September 26 issue of the *Literary Digest* has been banned from Japan. The issue contained a reference to Emperor Hirohito as a "fragile, mild mannered little Mikado" (in the "Foreign Comment" columns).

Tokyo Police to Tighten Dance Hall Regulations

Because dance halls in Japan are of "a peculiar nature," comparable to the old American saloon, "the stamping ground of prostitutes," their status will have to undergo drastic changes, Koichiro Kunishi, chief of the Public Peace Section of the Metropolitan Police Board, believes. Under contemplated regulations, the dance halls will be subjected to rules similar to those apllying to "unlicensed" red light districts.

Industries in Chosen and Taiwan to Be Controlled for Benefit of Industries in Japan

The *Osaka Mainichi* Oct. 28 stated that the Overseas Office held a joint parley of its financial officials at home and abroad at the Overseas Minister's official residence in Tokyo Oct. 26 to discuss technical problems concerning the 1937-38 budget formation and also on the proposed tax increase. Incidentally, it was brought to light that a significant change is gradually taking more definite shape in the administrative policy of the central government in dealing with the overseas territories of the empire, notably Chosen and Taiwan. Until a short while ago, Tokyo followed the policy of developing said countries for the sake of their own prosperity, but their economic and industrial activities are now apt to be restricted for the sake of the industrial welfare of Japan proper. Such a tendency was evidenced at the conference of the tropical industries investigation commission, held in Taiwan last year, and also the Chosen Economic and Industry Investigation Commission meeting held in Keijo recently.

One of the central issues at these conferences was the control over economic and industrial activities in said countries in relation to the identical undertakings in Japan proper. To be more exact, there is the proposal advocating enforcement of the major industries control act, not only in Japan proper, but also in Chosen, and Taiwan as well. In other words, industrial welfare in Japan proper is regarded as more important than that in Chosen or Taiwan.

Standing against such proposals, the Tokyo Overseas Office has hitherto made an active campaign in favor of the overseas territories, and it has incidentally provoked the proposal that the Overseas Office itself should be abolished, on the ground that said office is on the road to carrying out programs which may not prove beneficial for Chosen, Taiwan, or elsewhere.

"Chosen" is the Japanese pronunciation of the Chinese words "Chow Hsien" (meaning Morning Calm) for the country known by the western world as Korea. "Tai Wan" is the Japanese-Chinese pronunciation of the island known in the west as Formosa. Formosa is the Portuguese rendering of the Spanish word Hermosa, meaning "beautiful."

Japan's Mandate in the South Seas

(By Willard Price in The Contemporary Review)

Not the least of the stakes Japan has driven to hold her claim on the Orient of the future are the more than 1,500 islands that peg the ocean at close intervals all the way from Japan proper to the Equator. Most important of these are the 1,400 South Sea islands which Japan retains under mandate from the League of Nations. These islands appear on the map as Micronesia, comprising the Mariana, Caroline, and Marshall groups.

The map reveals good reason for the remarkable importance Japan attaches to these islands. They are her "life-line to the south." They are her "first line of defense." Not so much perhaps the defense of Japan as the defense of Asia. Taken together with the Bonins, the main islands of Japan, and the Kuriles, they form a breakwater across the entire front of the Asiatic continent against the advance of the West. They are a smoke screen over Asia. Behind it Japan hopes to work undisturbed on her great plan of Far Eastern coordination.

A Japanese Who Said He Could Make Gasoline from Water

Koretomi Honda, arrested on charges of defrauding Major-General Zenzaburo Usuki and several others of over Yen 6,000 in connection with his alleged discovery of processes to make cotton from straw, gasoline from water and oil from dried grass, was acquitted at the Tokyo Chiho Saibansho Oct. 27. The case had been pending since 1928. He had been sentenced to imprisonment for ten months by the Tokyo Kusaibansho. It is stated that as the result of evidence produced by Mr. Honda it was proved that theoretically speaking it was possible to make cotton from straw and gasoline from water, though it is highly doubtful whether such undertakings can be put on a commercial basis. Moreover, as there was no conclusive evidence to substantiate the fraud and embezzlement charges, the Court thought fit to drop the charges. Mr. Honda declared at the end of the trial that he would make redoubled efforts towards the perfection of his experiments.

Hawker Acquitted of Hiding Gun That Killed Japanese Seaman—Police Intend to Appeal

Tsang Yoong-ho, 21-year-old congee seller, who was charged with concealing the heavy calibre Mauser pistol, knowing that it had been used in the murder of a Japanese seaman and the wounding of two others on Haining Road on the night of Sept. 23 last, was declared not guilty by Judge Tsoong in the First Special District Court Oct. 30. Dissatisfaction was expressed by police officials present at the court finding the hawker not guilty on a charge of concealing evidence under Article 167 of the Chinese Criminal Code, and it was intimated that an appeal will be filed against the Court's decision. Tsang, in the meantime, was ordered by the Court to be detained during the period of appeal.

Japanese Residents Corporation Committee Wants Economy

Abolition of the Shanghai Volunteer Corps was proposed last week in a motion approved by the Foreign Relations Committee of the Japanese Residents' Corporation, the Shanghai *Nippo* reports. The continued maintenance of the S.V.C., at an annual cost of $700,000, in the face of the present depression, is anachronistic, the conferees agreed. After a study of the Municipal Council's educational policy and its economy program, the Committee decided that "there is still much room left for the axe of economy."

Bishop of Hongkong Pays Tribute to Women of China

A tribute to the women of China, whose power of leadership, judgment and energy astonished him, was paid by the Rt. Rev. R. O. Hall, Bishop of Victoria, Hongkong, in the course of an address Oct. 2 before the Central Young Women's Christian Association in London. It was remarkable, he said, how often in difficult circumstances the Chinese woman came to the rescue with her grand commonsense. China, the Bishop added, obviously had a tremendous place in the future of the world, and the quality and tone of the part she would play would depend upon her women.

BABY'S COLD CHECKED AND SOON BETTER

Graduate Nurse believes in prevention

BECAUSE colds may bring on serious complications, be sure to use a simple, safe remedy immediately baby coughs and shows cold symptoms. A Canadian nurse found Baby's Own Tablets a most effective treatment for this purpose. She writes:

"Being a graduate nurse I believe in prevention, so when all the rest of us had colds I soon had baby's cold checked and better, thanks to Baby's Own Tablets. Also when baby seemed peevish and fevered at teething I always resorted to Baby's Own Tablets. I have used them this winter to keep my baby well."

Mrs. Walter Gill,
Barrie, Ontario.

Mothers can definitely relieve baby's cough or cold if they will give Baby's Own Tablets promptly according to the directions.

Remember, also, that these tablets are effective for fretfulness, simple fever, teething, constipation, diarrhoea, upset stomach, colic, and other childhood ailments. Certified safe, even for the most delicate baby. Obtainable at chemists everywhere.

Baby's Own Tablets

If China Was Conquered Could She Absorb Her Conquerors?

BY K. S. YEN (殷穉韶)

THAT "nations may rise and fall in the march of time, but a race of people lasts forever," is not always the case. There are some exceptions. There are today in this world some races of people rapidly dying out. For instance, the natives of the Hawaiian Islands, of Australia, and of North America, due to some forces working constantly against them, are rapidly dying out and will entirely disappear from the earth in the cause of time.

It is true that China has repeatedly absorbed her conquerors particularly the Manchus, but China owes her civilization a debt in so doing. Were it not for her civilization being higher than that of her conquerors, the story would have been different and the result of her conquest would have been the same as that of the white race in Africa, in Australia and in the two Americas. Indeed, "China's power of absorption has defied all attempts at conquest," but can she absorb her future conquerors if she will be again conquered by a new alien race having a civilization higher than or equal to that of hers?

In case of China being again conquered in the future by a white race, China might in the march of time gain her political freedom by appealing to force of arms as the Cubans did or by agitation as the Filipinos and the Egyptians did, or by non-co-operation as the Hindus have been doing, but the absorption of China by a white conqueror will be impossible. The following facts will show that China's power of absorption can not be applied to a white race whose civilization seems much higher than ours.

China's Southward March and Retreat

Before the East met the West in the later part of the 18th century we marched southward from the Yellow River region down to the Yangtse Valley from where we continued our southward march down to the Delta of the Pearl River unchecked. As far as "we saw we conquered," not by force of arms but by peaceful penetration. Following the same cause we marched further down to the South Sea Islands where the Chinese and the western civilizations met. As soon as we encountered the white race marching eastward in the South Seas, we retreated, we lost our Indo-China and Hongkong, our country became unwillingly a semi-colony of the world and today our national existence is being threatened.

The Westernization of the Chinese People

Westerners came to and have lived in China for less than a century and the total number of them living in China today is less than a hundred thousand. Such a small number of westerners living in such a large country like China is but a few drops of water in an ocean, yet in spite of such a small number we have not absorbed them. We have not been able even to change or modify their ways of living. Instead of being orientalized the westerners have westernized us politically, industrially and socially.

Politically we have, due to the influence of the western civilization, established a republic, enacted a set of modern laws and drafted for the approval of the people an up-to-date constitution. Industrially we use more and more steam and electric power in place of man power. Railways, highways, telephones, telegraphs, wireless, broadcasting, aviation, etc. are now common in China. Socially, foreign talkies, cabarets, bars, horseraces, tennis, football and basketball games, boy scouts, Y. W. and Y. M. C. A.s, churches and hospitals, etc. have come upon us. Opium and cigarette smoking, child labor, "sweat system," divorce, kidnapping, etc. are also here from abroad. Hair bobbing, finger nail painting and exposure of sleeveless arms and stockingless legs are also taken up by our young modern sisters who incline to copy everything both good and bad from their western sisters. Our young folks even go as far as to imitate the western art of love-making. They choose their own life partners instead of letting their parents to do the choosing for them. All these will show that China, instead of orientalizing her western guests, has been thoroughly westernized. What chance has a race of people after they are conquered to absorb a white conqueror who has already and thoroughly westernized them!

China's power of absorption also can not be applied to Japanese. In case of China being conquered by Japan, the Chinese people will be enslaved forever as Japanese will not make the same mistake as the Manchus made in allowing the Chinese people to preserve their literature and history. The Chinese people will be enslaved according to the following three principles:

Under the principle of ignorance, Chinese literature and books of any kind in the Chinese language will be destroyed without any exception. Chinese history will be rewritten in the Japanese language to suit the Japanese taste. Colleges and universities will be closed to Chinese and only a limited number of middle schools will be established for them. Printing or keeping any book in the Chinese language will be prohibited.

Under the principle of poverty, all China's natural resources will be controlled by the Japanese authorities and Chinese will not be allowed to own or operate any banking business or industrial enterprise. Chinese will not be given any position either official or commercial. Any Chinese who wants to make a living must work as a laborer.

Under the principle of degeneration, opium dens, gambling houses and morphine and cocaine shops will be licensed and operated in every city, in every town and in every village in China, as the Japanese have been doing in the four Chinese Eastern Provinces and in the eastern part of Hopei Province since 1931. With all these opium dens, gambling houses and morphine and cocaine shops in every corner of China, Japanese will squeeze every copper from the Chinese pocket and degenerate the Chinese people both mentally and physically, thus extremely impoverishing the Chinese people and sinking the Chinese race down into an unmeasurable depth. Then can an extremely impoverished and most degenerated race absorb the Japanese? We must not glorify our past, we must think of our future.

Nanking, Oct. 21, 1936.

China Merchants Steam Navigation Co. Shows Marked Progress

Marked progress and improvement have been noted in the organization, personnel and shipping services of the China Merchants Steam Navigation Company, Limited, since its general reorganization in accordance with the instructions of the Ministry of Communications last February, according to the Chinese newspapers. For the seven months from February to August, according to the report, the total receipts from passenger and freight services reached $4,271,170, marking an increase of $718,546 over the returns for the corresponding period last year.

Canton-Shanghai Radiophone Service to Start Soon

Tests on the newly completed Canton-Shanghai and Canton-Hankow radiophone circuit having proved satisfactory, regular commercial service between the three cities will be formally inaugurated within a month. The rate between Canton and Hankow has been fixed at $4.20 for every unit of three minutes, while that between Canton and Shanghai will be $5.50 for a unit. For calls on the International and French Concessions in Shanghai, however, a fifty cents extra charge will be required.

Foreign Competition Ruins Changting Paper Industry

The district of Changting, in Fukien province, has long been a paper manufacturing center, but the paper industry there, due to foreign competition, has collapsed, according to the *Shanghai Nippo*. Its ruin was hastened by the occupation of the district by Communists. In 1929, Changting produced more than 100,000 *tan* of paper with a value of about $1,000,000, but production has now fallen to 10,000 *tan*. With a view to aiding the revival of the industry, the Farmers Bank has advanced $100,000 to paper producers in the district.

China to Have Big Home Products Emporium

Plans for the establishment of a large home products emporium to be capitalized at $20,000,000 are being considered by the Ministry of Industries. When established, the emporium will have branches all over the country and its capital will be furnished jointly by Chinese bankers and manufacturers. This plan was approved Nov. 3 by the Executive Yuan, which also decided to instruct all public functionaries to use home-made goods.

Hunan Rice for Hupeh to Have Preferential Rates

The Ministry of Railways has ordered the Canton-Hankow Railway Administration to grant preferential rates for the transportation of Hunan rice to Hupeh.

Dr. Franlin Ho Urges Equal Emphasis on Agricultural and Industrial Development

Equal emphasis should be laid on agricultural and industrial development in the promotion of the people's economic reconstruction movement, in the opinion of Dr. Franklin Ho, Director of the Political Affairs Department of the Executive Yuan, in a recent interview at Nanking. Improvement of production, transportation, and marketing methods should be the main factor of agricultural development, while in industrial reconstruction attention should be paid to the balanced development of heavy and light industries as well as rural subsidiary industries, Dr. Ho said. Among other things, Dr. Ho added, improvement of seeds, conservancy, facilitation of currency circulation, improvement of farming implements, introduction of scientific farming methods and prevention of insect pests are necessary to greater production, the final aim of which is to make China self-sufficient in foodstuffs and raw materials.

Food Prices in China Rise Despite an Abundant Harvest

Breaking an unusual and remarkable run of 46 days without rainfall, Shanghai experienced a sudden change in the weather Nov. 1, the morning opening with leaden skies and a steady drizzle, which cleared up to some extent later on The temperature maximum fell sharply by 18 degrees as compared with the maximum registered when the thermometer rose to over 80 degrees in the shade, the previous day. There have been intermittent rains since.

On account of persistent drought, prices of foodstuffs are rising rapidly in Western Honan. The situation has become so serious that in some districts the people are forced to eat grass and leaves of trees, according to *Kuo Min*.

Interviewed regarding the recent serious rises in prices on the Chinese food market, Kao Ping-fang, Director of the Revenue Department of the Ministry of Finance, stated in a recent interview that a rich harvest was reaped this autumn in various parts of the country. Usually, under such circumstances, the price of grains should fall. However, in the course of the past month, prices of foodstuffs have soared rapidly in various parts of the country.

"At first the rise was confined to the flour and wheat markets. Recently the price of rice has also risen. In order to maintain and stabilize the prices of foodstuffs, public organizations in various parts of the country have requested the Government to impose an embargo on the export of foodstuffs. In Kiangsu province, an embargo has already been imposed on food exports. The food problem is therefore becoming daily more serious.

"The continued rise in the price of foodstuffs is mainly due to the following causes: Firstly, due to the development of the granary system in the various provinces and the increasing investment by banks in the rural districts, a considerable amount of foodstuffs has been taken off the market. Secondly, in certain districts where an abundant harvest has been reaped, the farmers are purposely hoarding foodstuffs in the hope that the price will rise. In some other districts, the people are storing foodstuffs in view of the drought.

"Agents have been sent by certain quarters to the rice-producing districts along the Tientsin-Pukow Railway and the Yangtze River to purchase large quantities of rice. The manipulation of the food market by certain unscrupulous merchants is also a factor contributing to the rise of food prices.

"As the result of arrangements with the Central Bank of China, the latter has designated Messrs. Wang Bao-lun, Chen Cheng-sheng, Hsi Yen and Chao Shih-fu, to make appropriate arrangements for the purchase, storage and transportation of foodstuffs.

"Surplus foodstuffs in some districts will be purchased by the Central Bank and utilized to meet the demand in other districts where there is a shortage. In case of necessity, the Ministry of Finance will establish a food control organ to take charge of this matter, with a view to facilitating the stabilization of food prices and readjustment of the food situation."

Agricultural Experimental Stations for 500 Hsien Planned by Ministry of Industries

Plans for the establishment of agricultural experimental stations in more than 500 hsien (districts) in the country have been laid down by the Minister of Industries for the purpose of increasing and improving China's agricultural produce. The stations will first take steps to improve the quality of seeds and promote fertilization but will also engage in other agricultural improvement projects in the course of time.

Rice for Shanghai Temporarily Held Up

Several shiploads of rice destined for Shanghai, which were detained in various parts of Chekiang and Kiangsu as a result of the embargo placed on the cereal by authorities of the two provinces, have meanwhile been allowed to be transported to this city.

Anhwei's exports of rice this autumn have amounted to approximately 1,000,000 piculs, most of which has gone to North China.

New Trans-Hopei Railway Line to Have Tientsin as Terminus Instead of Tsangchow

Chen Shueh-sheng, managing director of the Peining Railway, stated in Peiping Nov. 2, that the new trans-Hopei railway line will run from Shihchiachwang to Tientsin and not to Tsangchow, the original plans having been changed. A survey of the work is now being carried out.

Western Extension of Lunghai Railway Opened to Traffic

Marking the first step toward the westward extension of the Lunghai Railway, the newly completed Sian-Kuocheng section of the line was formally opened to traffic Nov. 2. The Lunghai Railway, it is understood, will be extended further westward to Paochi, about 20 miles away from Kuocheng, by the end of this month.

Szechwan-Shensi Highway Opening Is Delayed

Arrangements for through transportation on the highway between Szechwan and Shensi will not be completed until December 1, according to a communication from the Szechwan Highway Bureau to the North-Western National Highway Bureau.

In the United States Court for China

In re.
the Estate
of
BETTY SHENGLE,
Deceased.

Cause No. 4126
Special Proceedings
No. 2005
NOTICE
Filed at Shanghai, China,
October 9, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of BETTY SHENGLE, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Lelia Manlove,
c/o Allman, Davies & Kops,
Hamilton House,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
HELEN MAUD SITTIG,
Deceased.

Cause No. 4128
Special Proceedings
No. 2007
NOTICE
Filed at Shanghai, China,
October 12, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HELEN MAUD SITTIG, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. W. D. Boone,
504 Loh Ka Pang,
Shanghai, China.

Shanghai, China.

"Progress" in Manchuria

(From an Editorial in the Japan Chronicle, Oct. 28)

If past history is any criterion, the attempt to make good the labor shortage in Manchuria by immigration from Japan does not hold out any great prospect of success. "Many a Japanese statesman has dreamed of Manchuria as a god given land for Japanese immigration," the report recently issued by the South Manchuria Railway reminds us, but none of the dreams has retained much substance in the harsh glare of daylight. Whether the schemes now in the process of formation will achieve any better result remains to be seen. They will have the advantage of the greater political stability afforded by the new State, yet this same stability—when it is finally achieved—may have the boomerang effect of working relatively more for the benefit of the native Manchurian farmer than the immigrant. It must not be forgotten that despite the disputes which featured Japanese and Korean settlement in the old days, the immigrants still had the inestimable advantage of extraerritorial rights which frequently placed them in an advantageous position. If, despite the irksome taxation of the Changs and the tyrannical exactions of local administrations, the native farmer could still more than hold his own against the immigrant who paid no taxes and who had the Japanese flag to defend his rights, is it not reasonable to suppose that given conditions of approximate equality he will win out in the long run for all the subsidies which at first will operate in the newcomer's favor?

In the twenty-five years following the Russo-Japanese war up to the "Outbreak," three attempts were made to foster Japanese immigration. The first was during 1914-1918, featuring the subsidized settlement of the S.M.R. zone with ex-servicemen. In the end only 34 families were settled, and only 17 still remain on their land. The creation of Aikawa village, near Chinchow, found room for 32 families, of whom but seven remain, and later the Dairen Agricultural Company, a subsidiary of the S.M.R. planned to settle 500 Japanese families within the Kwantung Leased Territory. Only 73 families were induced to settle, however. Of course the chief difficulty, up to the time of the emergence of the new State, was the refusal of the Chinese authorities to permit the selling or leasing of land to Japanese. Settlement schemes had to be restricted in accordance with the facilities offered by the S.M.R. zone and the Kwantung Leased Territory. But in considering the possibilities of the bigger projects which are now engaging attention, it is permissible to look back at the previous failures, bearing in mind also that the failures occurred despite semi-official backing, subsidies and the benefits of a purely Japanese administration. Certainly the achievements of the first settlers in the new Manchukuo have not been any too promising. "Fairly satisfactory and encouraging" is the Reports' verdict in recording the progress of some of the settlements and the closing down of others. The disillusionment which awaited some of the immigrants is already an old newspaper story. The pioneer in the new State is apt soon to lose the first keen edge of his enthusiasm, and it is being blunted all the quicker by the agricultural depression which has half ruined the native farmer.

If the cotton growing and livestock raising experiments could be pushed, the outlook would be a good deal brighter. Unfortunately there seems reason to believe that nature is against both of them—certainly against cotton. S.M.R. experimental stations have worked for many years on the cotton problem, endeavoring to improve the native variety and adapt the early growing American species to Manchurian soil. Favorable weather in 1933 was encouraging, but 1934 and 1935 imposed such a check that the twenty-year plan drawn up in 1933 has now had to be abandoned. A scarcity of snow—one does not often associate a snowless winter with a cotton crop failure—early drought, late rain in April and a cold snap in the autumn, reduced 1934's crop of 83,000 metric tons to 38,000 tons. Obviously the weather was abnormal, but abnormal weather is something the Manchurian farmer has always to take into account, and though the Manchurian Cotton Association has not given up all hope, it begins to look as if Japanese spinners must turn their attention from Manchukuo to North China.

As for livestock, it is obviously impossible to place the best pastoral land under the plough and still expect to increase cattle and sheep raising. The needs of the wool weavers has caused attention to be focussed on sheep rather than cattle and horses, a little urgency being imparted by the present trade controversy with Australia. It is apparent, however, that Australian graziers are in no danger of Manchurian competition in the world market for very many years to come, if ever. There are to-day fewer than two and a half million sheep in Manchukuo, the vast majority the native animal, an inferior breed which it is hoped will be improved by Merino blood. Whether there is any justification for the hope must be left to the judgment of experts—and the future. There is more to improving a breed than adding new blood; such questions as climate and grazing. Certainly Manchurian conditions are nothing like Australian, South African and South American, from which countries Japanese mills at present draw their wool. Anyhow, 15,000,000 sheep is the aim, not a very difficult total to reach considering that industrial England can still pasture nearly 10,000,000. The S.M.R. itself has been sheep farming for years, securing experience that has been invaluable to the new Manchukuo Government departments which are now running their own farms. However, the necessary importations of sheep remain curiously small. The Japan-Manchukuo Sheep Association, for instance, formed with a million yen contribution from Tokyo and another million from the S.M.R. and the Wool Industry Association, "imported two head of Merino and 40 head of Kolider in 1935 and distributed them among Japanese settlers." Obviously the distribution would have to be done carefully if the lambing season was to mean anything.

Manchukuo to Curb Extrality Rights from January Next

Extraterritorial rights of foreign residents in Manchukuo will be curbed by an Imperial ordinance to be issued next January, the Ministry of Justice announced in Hsinking Nov. 3. The new law will closely follow the terms of a declaration made last July by Chang Yen-ching, Foreign Minister, in which Manchukuo announced her intention to deny recognition to any special rights possessed by foreign nationals. Japan partially renounced her extraterritorial rights in the new Empire in a treaty signed on June 10 by Gen. Kenkichi Uyeda, Ambassador to Manchukuo, and Mr. Chang.

By this treaty, which went into effect on July 1, Manchukuo granted to Japanese subjects the freedom "to reside and travel and engage in agriculture, commerce and industry, and to pursue callings and professions, whether public or private" and "all rights relating to land" in the new State. In return, the Japanese Government agreed to abolish in gradual stages its extraterritorial privileges and to transfer partially or adjust its administrative rights in the South Manchuria Railway zone. As a first step in this direction, Tokyo recognized Manchukuo's laws relating to taxation and industrial control. One of the provisions of the treaty stipulated the abolition of the Japanese administrative policy throughout Manchukuo, including the railway zone, by the end of next year.

Reich Not to Recognize Manchukuo

A *Reuter* message from Berlin Oct. 28 stated that Germany has no intention of recognizing Manchukuo in the near future, as it was felt that the attitude of Manchukuo towards Germany's export wishes had been disappointing, particularly her alleged failure to carry out to the letter her trade agreement with Germany. While last year Germany increased her purchases from Manchukuo by 80 per cent Manchukuo's imports from Germany were 20 per cent below those of 1935.

Soviet Plane Lands in Manchuria, Pilot Detained

Manchukuo border patrols Oct. 28 found a Soviet military plane that had been forced down southeast of West Ukulto, near the Outer Mongolian border, and detained the pilot. The other occupant of the machine was said to be missing, apparently having been able to cross the frontier. The machine was identified as that which on Tuesday afternoon, is alleged to have violated the Manchukuo border.

S.M.R. Builds Woollen Factory in Kalgan

The South Manchurian Railway is building a big wool factory in Kalgan, it is reported. A large quantity of wool has already arrived from various parts of Mongolia for the new mill.

Prince Ah Says Mongols Will Resist Alien Aggression

Mongols in Suiyuan are determined to resist any alien aggression and to clear off all bandit remnants within their banners and leagues, declared Prince Ah, vice-chairman of the Suiyuan Mongolian Political Council, on arriving in Nanking from Kweihua Oct. 30. Admitting that several skirmishes have already taken place in eastern Suiyuan between Government troops and bandit forces, under the command of Wang Ying, during the last several weeks, Prince Ah said that the general situation in Siyuyuan is now quiet. Most of the press reports, according to him, have been exaggerations. Prince Ah, who came to Nanking to participate in the birthday celebrations of Gen. Chiang Kai-shek, called on the Generalissimo during his stay in Nanking to express his loyalty and whole-hearted support to the Central Government. He is expected to stay in the capital for a week before returning to the North.

Judge Grant Jones Says Newmilks, Ltd. "Masquerades" as British

In giving judgment in the British Supreme Court Nov. 2 in favor of Harry Chilton in the sum of $125 against Newmilks, Limited, Judge P. Grant Jones commented that it appeared that of 10,065 shares allotted in this apparently British company all save the odd 65 are held by non-British interests. He said that to allow a private company such as the one in question to masquerade as British was, in his opinion, an encroachment on the privileges granted to British subjects by treaty with the authorities of this country.

THE FOREIGN OPPOSITION TO CHINA'S INCOME TAX

(*Continued from page 331*)

Chinese Deposits in Foreign Banks

In the present article, however, the writer proposes only to deal with the issue concerning the taxation of Chinese deposits in foreign banks and the salaries of Chinese employees of foreigners.

The objection of foreigners against the taxation of the incomes of such Chinese can have no logical basis whatsoever, save that the foreign banks to which the Chinese deposits are entrusted and the foreigners by whom the Chinese employees are paid are within the limits of leased territories. But, although China has leased these areas to foreign countries, she has not relinquished her territorial sovereignty over them. This fact is unwittingly recognised by the foreigners themselves in the act of paying the Customs duties in spite of their residence in leased territories.

Besides, the financial and economic life of these territories and the financial and economic life of the rest of China form an integral whole, from which Shanghai and other localities cannot possibly be separated as independent units. Since territorially and economically the leased areas are inseparable and integral parts of China, and in view of the indisputable fact that the Chinese residents in these areas have the same rights and obligations as Chinese citizens in other parts of the country, the right of the Chinese Government to collect the Income Tax from Chinese residents in the settlements and concessions and the obligation of these Chinese to pay the impost are unquestionable. This applies equally to all Chinese residents in leased areas, whether they are in the employ of foreigners and whether they have deposits in foreign banks.

Such Chinese have not lost or relinquished their Chinese citizenship through their commercial and financial relation with foreigners nor through their residence in leased areas, and are no less subject to the jurisdiction of the Chinese Government than their compatriots residing elsewhere in China. Moreover, Chinese deposits in foreign banks are part of the national wealth of China, from which the Chinese Government has full right to collect its revenues for the improvement of national welfare.

Foreigners also seem to object to the inspection of their accounts by Chinese officials, as a preliminary measure to collection of the tax. In this connection, it must be admitted that numerous difficulties will be encountered in the inspection by Chinese officials. But this is precisely the sort of things on which China would welcome constructive suggestions from foreign circles and in which she needs the friendly cooperation of foreigners.

Foreigners have moral, as well as legal, obligation to assist China in the enforcement of the tax law within leased areas. Should they continue to refuse to comply with this law, China will not only be wronged to the extent of losing the revenue that would otherwise accrue from the taxation of foreign incomes, but a wide gap would be opened between the status of Chinese and foreign communities in China, rendering their economic opportunities unfair and unequal.

And, what is more, the non-cooperation of foreigners in the collection of the taxation on Chinese deposits and salaries would eventually disrupt the fiscal system and impair the authority of the Chinese Government. It would create a wide gap between some sections and the rest of the Chinese people and render their economic opportunities unfair and unequal. We trust, however, that extraterritorial foreigners will not take undue advantage of their special privileges in China to prevent the law from being effectively and justly enforced.

Court of Consuls Decides Against Chinese Plaintiffs in Motor Accident Case

The case brought against the Shanghai Foreign Settlement Council in the Court of Consuls by Chen Ling-sze and six other plaintiffs representing themselves as the widows and administrices of seven men who were drowned in a car accident at about 4 a.m. on May 12, was dismissed Nov. 2. The accident occurred when a car plunged over the end of Yangtszepoo Road into the Whangpoo River Canal. The judgment was signed by Sir John Brenan, British Consul-General and President of Court of Consuls, Clarence E. Gauss, U.S. Consul-General and Judge of the Court of Consuls, and Etienne Lardy, Consul-General for Switzerland and Judge of the Court of Consuls.

Dr. Greene of Changsha Medical School Lauds China's Progress in Combatting Disease

Dr. Philip F. Greene, dean of the medical faculty of Hsiang-ya medical school at Changsha, in a recent speech in New Haven, Conn., stated that China has been making great progress in combatting disease. "The country is waking up to the difference in health between China and the west," said Dr. Greene, who is scheduled to return to Changsha next summer. "In the past five years, the National Government has built up a modern National Health Bureau with Dr. J. Heng Liu, of Harvard, at its head. This bureau in turn is co-operating in the establishment of similar provincial boards," Dr. Greene said.

PAINTS AND PAINT WORK

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CUSTOMS NOTIFICATION NO. 1552.

The public is hereby notified that the Custom House will be closed, and the shipment and delivery of cargo suspended, on Thursday, the 12th November, 1936, the anniversary of the birth of the late Dr. Sun Yat-sen.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd November, 1936.

In the United States Court for China

In re.
the LAST WILL AND TESTAMENT
of
HELEN STEINACHER,
Deceased.

Cause No. 4133
Special Proceedings No. 2012
Filed at Shanghai, China, October 29, 1936.
W. T. Collins, Clerk.

NOTICE OF HEARING PURSUANT TO AN ORDER HEREIN MADE

Pursuant to an Order herein made, notice is hereby given to all persons interested, that the Petition of Peter I. Tervandt for probate of the instrument purporting to be the Last Will and Testament of Helen Steinacher, deceased, will be heard on the 29th day of January, 1937, at 10 o'clock in the forenoon in the court room of the United States Court for China at Shanghai.

W. T. Collins,
Clerk
United States Court for China.

FRANKLIN & HARRINGTON,

By W. C. Watson,
Attorneys for Petitioner

How a Peiping Doctor Used a Louse to Conquer Typhus

(By Dr. Paul Farez in Je Sais Tout, Paris. Reprinted from Magazine Digest)

Again the light comes to us from the East, this time in the form of startling news from the Celestial Empire, where they claim to have discovered a typhus serum.

In connection with what seems to be the very latest addition to the long list of conquests of medicine it is well to bear in mind that typhus is not typhoid. The Greek word Tufos has many meanings, amongst which is that of torpor or stupor, which is in fact a characteristic symptom of typhus. This is a serious infection, rapid of evolution, which kills its victims in the proportion of 40 per cent. and ravages especially the eastern countries. Typhoid, more frequent with us, is less serious and is effectively fought with a serum discovered several years ago.

Now Peiping announces the discovery of a serum against typhus, that is of the serum for which we have all been passionately searching for years.

Both typhus and typhoid exercise their injurious action on the intestinal mucous membranes, but their causes and evolution are different and so are their effects upon the organism.

Typhus is caused by a very virulent germ, the Rickettsia, transmitted by the body louse. The insect stings a typhus patient and becomes infected, afterwards transmitting the disease to healthy individuals. One bite is enough to cause infection and, in view of the fact that one female louse may give birth to 9,000 individuals of its species in two months, the danger is obvious.

This disease is also called exanthematic typhus because, like measles, it begins with a red eruption of the skin.

Typhus is a universal scourge and as old as the world. Its character is always epidemic and it rages especially in times of war and famine, for which reason it is also known as "army typhus" or "hunger typhus."

During the world war typhus was one of the most harassing experiences, especially in Russia and Serbia. After that there was a lull, but in 1933-1934 we witnessed a new spell in various parts of the old and new world, due mainly to the economic distress.

However, distress or no distress, without the body-louse there would be no typhus infection. This carrier of germs is therefore the real offender upon whose destructions all minds are bent.

Cleanliness and Disinfection the Best Preventives

Cleanliness and rigid disinfection measures are most efficacious means of fighting typhus, but they are insufficient against so prolific an enemy. The best course therefore consists in rendering its attacks harmless or immunizing mankind against them.

But all previous attempts to breed the Rickettsias in cultures like other germs and then to produce a serum or vaccine from the cultures have proved unsuccessful. The microbe has persistently refused to multiply in any cultures so that the problem seemed hopeless until we listened to the report of Dr. René Sand, dispatched by the League of Red Cross Societies to China, to obtain first hand knowledge of the discovery.

About twenty-five years ago, two hundred Belgian missionaries went out to China. The community was led by Father Rutten, who had spent many years in Africa, where he developed a magnificent physical resistance, acquired thorough medical knowledge and at the same time a deep insight into the psychology of the various peoples.

The headquarters of the little community are at Peiping. But the beginnings were difficult. Every year, typhus claimed several victims. In 20 years it killed 84 missionaries, 46 of whom were quite young men. Newcomers promptly filled the gaps and the mission continued its activities, until Father Rutten learned that Professor Weigl, of the Polish University of Lemberg, had succeeded in producing a typhus serum. He immediately sent his faithful disciple, the Chinese physician Joseph Chang, to Europe. Chang remained in Poland for some time and returned to Peiping with the knowledge of Professor Weigl's technique and 200 doses of the serum, or rather the vaccine. Those of the missionaries who are always in contact with the sick were at once inoculated and in the last three years there has been no case of death amongst them.

Encouraged by these results, Father Rutten decided to start the production of the serum on the spot in larger quantities and for his purpose he evolved a really remarkable technique.

He picks a few lice from a typhus patient in the active period of the malady and lets them bite a guinea pig, which is at once infected and becomes a germ carrier, a hearth of infection always at hand.

But a war, any war, needs live material, and the Weigl-Butten war needs pediculous material. Lice must be bred in enormous numbers for it.

And they are, too. They are fed and fattened in tiny boxes with hermetic joints, one of the walls of which is made of fine gauze. They cannot escape through it but they can stick out their mandibles and rostrum which is what is wanted.

In order to supply the boarders with their favorite food Father Rutten has engaged the permanent services of five Chinese beggars. At fixed hours they offer their skin upon which the boxes are deposited with great precaution, and the inmates gorge themselves with human blood. This may sound shocking, revolting and inhuman to us, but reality is different. First, the beggars in question have all had typhus and are therefore immune. Second, they have done nothing all their lives but feed thousands of lice without being paid for it. Third, their material existence is assured because, without having to work, they are lodged, well fed and lead a life of plenty. So the poor fellows are delighted and grateful.

Introducing the Infection Into the Louse

Thus fed the lice grow and multiply. The vigorous adults are used for the preparation of the serum. For this purpose they must be infected with the disease and here is where Father Rutten's marvellous technique comes in.

Several procedures have been experimented with but the best seems to be the direct introduction of the germs into the digestive tube, which is their favorite habitat and where they can be spared the effects of the gastric juices.

The digestive tube has an entrance and an exit. The exit is sometimes used as an entrance for the introduction of liquid or solid substances which the stomach would not stand. But in the case of a louse such an operation obviously requires a most delicate technique. The whole operation is performed under the microscope, with microscopic instruments and an almost capillary dropper, which introduces into the anal orifice of the insect a fraction of a drop of blood of the infected guinea pig or better still of an emulsion made with its brain. Once the germ is comfortably settled on the intestinal membranes, it thrives and produces the typical ulcerations. The infected louse is then put into another container together with its companions-in-suffering. Left to their own devices they die after ten or twelve days, but they are seldom left to do that and, like true martyrs of science, must submit to vivisection at an earlier date. They are carefully dissected, the intestine is removed and kept, while the rest is thrown away. When they have 120 such intestines, the mass is put into a sterilized mortar together with a drop of a disinfectant substance and pounded. This gives a dose of vaccine sufficient for one person, but not more.

The trouble is that for the time being there seems to be little hope of producing this serum in sufficient quantities. Father Rutten has limited means and insufficient help. He cannot obtain more than 100 doses a year with his present method.

What is needed is money to fight the scourge. Nothing can be achieved without it. All the same we ought to rejoice in this first success and in the absence of a bright flame be satisfied with the pale but promising little light which is shining on the horizon.

Who's Who in China

Pao Chun-jien
保 君 建

Pao Chun-jien, consular official; born at Nantung, Kiangsu, May 17, 1897; attended Nantung Middle School; Nanyang Middle School, Shanghai; Department of Political Economy, National Peking University; Cornell, Columbia and Harvard Universities, U.S.A.; received B.A. and M.A. degrees; has served successsivly as Professor, National Normal University, Peiping; Professor, National Institute of Technology, Peiping; Professor, National College of Law, Peiping; Dean and vice-President, Mingkuo University, Peiping; Secretary to the Cabinet, Peking; Chief Secretary, Commission for the Retrocession of the British Concession at Kiukiang, Waichiaopu, Nanking; Secretary, City Government of Greater Shanghai and Commissioner of the Bureau of Education; Manager, China National Aviation Corporation; Counsellor, Peiping Political Council of the Executive Yuan; Director, Political Affairs Investigation Department of the Peiping Political Council; Counsellor, Peiping Branch of the Military Affairs Commission; member, Commission for the Study of International Commercial Treaties, Ministry of Industry; member, Legislative Commission, Ministry of Communications; Political Advisor to the Mongolian Political Council; member, Treaty Commission, Ministry of Foreign Affairs, Nanking; now Chinese Consul-General at Sydney, Australia; address: 57 Tsingtao Road, Nanking; or Consulate-General of the Republic of China, Sydney, Australia.

保君建，年三十九歲，江蘇南通縣人，讀書於前南通五屬中學，上海南洋中學，北平高師附屬中學，北京大學法科經濟系，畢業後由前教育部考選派送美國留學，在康奈爾大學科倫比亞大學哈佛大學專攻政治經濟學，得有學士碩士等學位，在美留學時，曾任科倫比亞大學中國學生會會長，返國後歷任國立北平師範大學工業大學法政大學教授，北平民國大學教務長及副校長，前國務院秘書，國民政府外交部九江英租界接收委員會主任秘書兼代委員，上海市政府秘書，上海市教育局局長，中國航空公司主任，行政院駐平政務委員會參議兼調查處第一組組長，軍事委員會北平分會參議，實業部國際商約研究委員會委員，交通部編審委員會委員，蒙古地方自治政務委員會政治顧問，外交部條約委員會委員，現任駐澳洲雪梨總領事，通信處：中國駐雪梨總領事館，或南京平倉巷青島新村三十七號。

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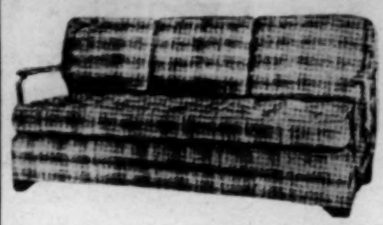

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The National City Bank of New York, Rates of Exchange
Shanghai, Nov. 4, 1936

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Men and Events

Armistice Day (November 11) will be celebrated in Shanghai with appropriate ceremonies.

Guenther Stein, whose new book on the Far East has just been published, is spending a few days in Shanghai.

Madame Chiang Kai-shek, who went to Loyang a few days ago in company with the Generalissimo, returned here on the afternoon of Nov. 2 by plane.

In order to standardize time throughout the city, the Peiping Municipal Government has decided to erect electrically-operated clocks at seven different points in Peiping.

Advices from Manila Oct. 31 stated that S. E. Levy and Company, the Shanghai brokerage house, has secured a seat on the Stock Exchange in the Philippine metropolis.

Mrs. E. M. Carnrick of New York, aged 51, committed suicide last week by drowning herself in Repulse Bay at Hongkong. The dead body was washed up by the waves Oct. 28.

Baroness Von Ungern Sternberg, Mme. H. H. Kung and Mme. Wu Te-chen are patronesses of a joint finance campaign of the Shanghai Y.M.C.A. and the International Branch.

Li Shih-hao, Chairman of the Economic Committee of the Hopei and Charhar Political Council, arrived here this week for an interview with Dr. H. H. Kung, Minister of Finance.

After one year of preparations and installation, the Chengtu Broadcasting Station has now been formally inaugurated with a daily program from 2 to 9 p.m. Its call sign is OGXG.

Recent advices from Tokyo indicate that because of an impending heavy increase in the price of gasoline in Japan the "cruising taxi," a feature of Tokyo city life, will be forced off the streets.

The Chinese American Publishing Company, 160 Nanking Road, Shanghai, was victimized by a gang of burglars on the night of Oct. 29. About $300 worth of fountain pens and $30 in cash were stolen.

Shen Chang, former managing-director of the Peiping-Suiyuan railway, who was reported to be critically ill in Germany earlier in the week, is now out of danger, according to a telegram received in Nanking.

G. Caulton, chief engineer of the China Merchants Steam Navigation Co. terminated his services this week after having been in the employ of said Company for 42 years. Mr. and Mrs. Caulton are retiring to England.

In correcting a Sikh interpreter in the British Supreme Court in Shanghai Oct. 29 who insisted on pronouncing the word "lawyer" as "liar," Judge Grant Jones commented, "There is supposed to be a great difference."

Convicted of infringing the trade mark of the "Pirate" brand of cigarettes manufactured by the Yee Tsoong Tobacco Company, three men were each sentenced to three months' in jail by the Shanghai First Special District Court Oct. 30.

There is a possibility that King Edward VIII may visit the Far East early in 1938, the Singapore *Sunday Times* understands. The Singapore newspaper quoted London sources as saying that there is a "strong possibility" that the trip will be made.

The history of the development of wireless in China was traced by W. J. Richards, China representative of Marconi Wireless Telegraph Co., and attached to the Chinese National Wireless Telegraph Co., at the Shanghai Rotary Club tiffin Oct. 29.

Dr. C. T. Wang will sail for America towards the end of this year, as China's Ambassador to that country. It was announced at the Shanghai Rotary Club's weekly luncheon, Oct. 29, that Dr. Fong F. Sec would succeed him as Governor of the 81st District.

Bruce S. Jenkins is being congratulated by the Shanghai community on the first anniversary of the foundation of his own insurance office. Mr. Jenkins first came to China in 1917 for the B.A.T. Three years later he joined the American Asiatic Underwriters.

The German community of Shanghai is awaiting with enthusiasm the scheduled visit, late in January, of the 5,000-ton cruiser *Emden*, first ship built for the Germany Navy after the Great War and third to bear the illustrious name. The *Emden* left Wilhelmshaven on Oct. 10 for a training cruise to East Asia.

Dr. Oscar P. Trautmann, the German Ambassador to China, accompanied by his wife, arrived back in Shanghai Nov. 3. They made the trip via the United States. When asked about the attitude of Germany towards Manchukuo, Dr. Trautmann said that he had no information of any changes in the German policy, thus indicating that Germany is not considering the recognition of Manchukuo.

No building in Peiping may be higher than two stories, according to an order issued this week by the Peiping Municipal Government. It is feared that the newly-built eight-storied building of the Kincheng Banking Corporation in the former capital will have to be torn down and altered into a two-storied structure. The municipal authorities, it is reported, have promised to pay compensation for the alteration.

Two men were sentenced and three women received suspended sentences in the First Special District Court in Shanghai Oct. 30, when they were found guilty of making the commission of fraud a profession by collecting monetary contributions from residents for fictitious charitable organizations.

With traditional ceremony, the command of the U. S. Asiatic Fleet was handed over Oct. 30 by Admiral Orin G. Murfin to Admiral Harry E. Yarnell aboard the flagship, U. S. S. *Augusta*. Staff officers of both commanders, and commanding officers of all other U. S. warships in port, took part in the event.

Instructions have been sent by the Japanese Consulate-General in Shanghai to the Japanese Consul in Soochow to investigate the reported arrest of a Chinese salesman for the Shintoku Dental Appliance Co. by the Bureau of Public Safety in Kashing, because he was selling Japanese goods, the Shanghai *Nippo* reported Nov. 1.

Li Chia-lung, formerly head of the Nanking branch of the Central Bank, assumed the post of general manager of the Ningpo Commercial & Savings Bank, Oct. 29, in succession to Churtong Yih, general manager of the Central Trust of China, who resigned the concurrent post owing to pressure of business.

The Shanghai Foreign Settlement Municipal Council has decided, in view of the extra work necessitated by the opening of the new Municipal Primary School for Chinese in Boone Road, which is expected to take approximately 1,000 pupils in the coming school year, to engage an additional Chinese Assistant Medical Officer.

The Yunnan-Burma Boundary Demarcation Commission, which suspended work last May due to the prevalence of malaria, is about to resume its task, it is reported in Kunming. Staff members of the Chinese delegation, numbering some 34 men, arrived in the Yunnan capital Oct. 31 from Nanking via the Burma-Yunnan Railway.

The *Shanghai Evening Post* Nov. 2 printed a feature article entitled "Foreign Bread Line Organized." An accompanying picture showed a group of foreigners, mostly Russians, lined up along the wall at rear entrance to the General Hospital, where every night from 6 to 8 o'clock evening meals are handed out free by the Franciscan sisters.

P. Ostrander, aged 25, a sailor from the U.S.S. *Peary*, was cut and bruised about 8 o'clock on the night of Oct. 31 when he jumped out of a first floor window in the Poste Mallet of the Shanghai French Police and passed through the glass roof projecting over the entrance. The French Police had picked him up in an intoxicated state.

Thousands of counterfeit Shanghai Champions sweep tickets for the horse races run by the Race Club, designed for a largescale fraud on the public, were seized by detectives of the Shanghai Foreign Settlement Police during the week-end, in a swift coup following the arrest of a Chinese engaged in selling some of the first batch of fraudulent tickets printed.

The death occurred in Shanghai Nov. 4 at the age of 67 of George Howard Malone, an American missionary who had lived in China for half a century, latterly with the Adventist Mission. Mr. Malone was born in Tunico, Nova Scotia, June 30, 1869. He became a naturalized American citizen and in 1892 he arrived in China as an independent missionary, settling in Wuhu.

Threats to sue the Soviet Consul-General, the legal department of the S. M. C., and the police on account of his long and allegedly illegal detention were made Oct. 30 by Dimitry Petrovitch Listzoff, Russian, when the appeal court sentenced him to four months' imprisonment on a charge of malicious damage in connection with the stoning of the Soviet Consulate-General on Whangpoo Road on Feb. 19, last.

Five Chinese silk weaving factories in Tsaokadoo district, Chapei, had to suspend work Oct. 29 as the result of a strike by about 1,000 hands to enforce their demand for the reinstatement of 32 dismissed employees and the immediate release of a group of factory hands. About 60 delegates of the strikers petitioned the Bureau of Social Affairs and the Shanghai Kuomintang for assistance.

Paul Patterson, editor of the *Baltimore Sun*, who was one of the pioneer trans-Pacific *Clipper* passengers, departed from Shanghai this week for Yokohama, where he will vist his son who is a reporter on the *Japan Advertiser*. Cornelius Vanderbilt Whitney and Roy Howard, after visiting Peiping, returned to Shanghai Oct. 30 and then proceeded to Hongkong by plane. They are boarding the Pan-American *Clipper* at Manila Nov. 6 on their return to the United States.

Found in possession of over 30 Mauser pistols and thousands of rounds of ammunition by detectives of Honkew Police Station Nov. 2 two foreign men, Victor Elliott, 38-year-old unrecognized American, and Elio Meden, Italian, have been charged with assisting in the sale of arms and ammunition. Elliott, described by police as a Shanghai boy and alleged to have had several past escapades with the law, is at present being detained in the Hongkew Police Station; Meden is detained by the Italian Consular authorities. Because of his failure to produce proof of American citizenship, Elliott was brought before the First District Court Nov. 3 where a charge of assisting in the sale of arms and ammunition was lodged against him. He was remanded in custody for a week.

Norman Westwood announces his resignation as general manager of the Universal Pictures Corporation in China, to take effect end of this year.

R. T. Peyton-Griffin of the editorial staff of the *North China Daily News* arrived back in Shanghai Nov. 3 after an extended vacation in Europe and America.

The 8,000-ton steamer *Makura*, belonging to the Union Steamship Company of New Zealand, has been sold to Chinese buyers, and will be handed over to the buyers in Wellington in December year.

Jack Chen, who lived for several years in Moscow where he was art critic and cartoonist for the *Daily News*, addressed the International Arts Theater studio in Shanghai Nov. 3 on "Art in the Soviet Union."

D. C. Graham, an American missionary from Szechwan, spoke to the students of the University of Shanghai at their assembly Nov. 2, telling them of the development and progress of the Miao tribes in Szechwan.

A reception for the Soviet community will be given on Saturday, November 7 from 5 to 7 p.m. at the Consulate General of the U.S.S.R., 20 Whangpoo Road, Shanghai on the occasion of the nineteenth anniversary of the October revolution.

Captain W. I. Eisler, of the firm of Eisler, Reeves, and Murphy, marine surveyors, returned to Shanghai Nov. 3 from the Philippines where he made a fruitless search for the ill-fated motorship *Sugbo*, which foundered in the recent devastating typhoon.

Arthur and Theodore Sopher, who at one time controlled the destinies of the *China Press*, contributed to the *Shanghai Times* Nov. 1 a long article on "Why Chinese Cotton Mills Miss a Great Chance." The authors cite the Chinese as being weak in cooperative buying, in long-term finance, and in research.

Dr. David Crockett Graham, Director of the Museum of Archaeology of the West China Union University, delivered an illustrated lecture on "The Customs, Art and Religion of the Chuan Miao," before the Shanghai Royal Asiatic Society Nov. 5.

William ("Big Bill") Tilden and H. Ellsworth Vines, world-known American tennis stars now making a tour of the Far East, addressed the members of the American University Club at their tiffin meeting at the American Club in Shanghai Nov. 5.

Charles R. Bennett, veteran American banker, arrived in Shanghai from Peiping this week and will shortly proceed to the United States on retirement after 30 years service with the International Banking Corporation and the National City Bank.

At the Executive Committee meeting of the China International Famine Relief Commission held on Oct. 31, Y. S. Djang, who resigned his executive secretaryship in order to give full time to the Ministry of Industries, was appointed honorary director of the Commission's branch office in Nanking.

Three women and three men, accused of being labor agitators, were convicted by the First Special District Court Nov. 3 of attempting to start a strike among the workers of the Hung Chang Cotton Mill, in Shanghai. The women were each sentenced to five days detention while the men were each given 15 days behind bars.

The Shanghai Stock Exchange showed more activity this week than has been the case for many years. The principal shares dealt in are those of rubber companies, formed locally about 25 years ago covering estates in the Straits and the Netherlands Indies. A feature of the exchange prices is the strength shown by Shanghai Municipal debentures, bearing five and-a-half per cent interest, which are selling above par.

One of the latest works of Kuo Mo-jo, well-known Chinese novelist and author, entitled the Collected Essays of Mo-Jo, has been banned in Peiping by order of the Hopei-Chahar Political Council. The banned volume is charged with containing essays which are downright insulting to Confucius and Mencius, two of China's leading sages. Mr. Kuo is a Japanese and German returned student, having studied literature in both countries.

Air Mail Now Goes Via Hongkong

The Shanghai post office announced this week that as a result of facilities granted by the China National Aviation Corporation, the plane of the Shanghai-Canton air line operated by that Corporation is flying via Hongkong, in both directions as from Nov. 5. Air correspondence for Hongkong as well as that destined for places along the Hongkong-Penang-London and Hongkong-Penang-Singapore-Australia air lines may, from the above date, be forwarded by air from any place in China to Hongkong for local delivery or for onward transmission by various air lines.

Main Body of U. S. Fleet Proceeds South

The U.S.S. *Black Hawk* and 12 destroyers, comprising two divisions, departed from Shanghai at daybreak Nov. 2, bound for the South. The only major vessels of the U.S. Asiatic Fleet now remaining in Shanghai are the flagship *Augusta* and the station ship *Asheville*. One of the divisions will go only as far as Hongkong while the *Black Hawk* and the other division will proceed to Manila. This second, however, will remain in Manila only for a short time before going on a cruise of the southern islands. Upon returning from the trip, they will prepare for the annual winter joint army and navy maneuvers in the Philippines.

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New Books of Interest in the Far East

A Soldier of Fortune Writes of His China Coast Adventures

Up and Down the China Coast. By "Ranger" with a foreword by Air Commodore L.E.O. Charlton, C.B., C.M.G., D.S.O. Published by Denis and Archer, London, 1936. 286 pages.

Most people whose sum total of "adventures" in "my sterious, glamorous Cathay" consists of playing hide-and-seek with shroffs, worrying over the houseboy's squeeze and dating up dancing girls, like to read the yarns spinned by true rovers who range and roam over the Seven Seas in search of the Holy Grail, the Golden Fleece or a comfortable fortune. This story, by an English wanderer who chooses to cloak his identity behind the pseudonym "Ranger", is one of the smoothest books of this type which has fallen into our hands—the easiest and the most interesting.

His story has special appeal to all old-timers in the East and particularly those who lived in Mad Moukden during the hey-day of the Chang Hsueh-liang regime when that Manchurian city was Treasure Island for adventurers, supersalesmen, airplane peddlers, gun runners, romantics, ne'er-do-wells and vagadonds from all parts of the world. He was one of them, one of those restless humans who are found whistling a bit of ragtime tune at the edge of civilization.

It is not difficult to penetrate the veil of his identity, as he constantly quotes others as referring to himself as "D.W." and in one excerpt from the Harbin Zaria he reveals himself as Doran Webb. A host of other familiar names—Bert Hall, One Arm Sutton, Bobb Williams, Mitchell, Impey—appear throughout the book. His story carries him through a siege with the R.A.F. in Egypt, into the Malay jungles, up the China Coast via Hongkong and Shanghai to Manchuria and then back to England. He was in Mukden before the September 18 incident and he was around Mukden and Harbin until the last Chinese resistence broke down.

"Ranger" does not pretend to be a student of Far Eastern affairs or an "expert" on Sino-Japanese questions, but as a result of his experiences he is able to deliver himself of some very shrewd observations. He is the kind of a trusting baby who believes everything he is told and consequently half the time he is out on a limb with some superficialities that would make old-timbers snicker. Forgive him his superficialities for he knows how to write and there is no gainsaying the scenes that he witnessed and the events that he experienced.

Not the least of Ranger's virtues as an author is his refreshing and audacious frankness . . . "The Japanese soldiers appeared and we saw the most extraordinary collection of walking arsenals anyone ever saw. Some were carrying so many guns they could hardly waddle. One bandy-legged little bastard, bristling with Mausers and brandishing one in each hand, stuck them into my stomach when I tried to take a snapshot. Later, in the crush, I was able to stand heavily on his feet".

After witnessing one atrocity engineered by Lieut.-General Kenji Doihara, which resulted in the "bloody murder" of a score of non-combatants, "Ranger" heatedly remarks, "If there ever is a hell, Doihara will be the one to roast in it. He killed more people in this explosion that the Japs had killed in actual fighting at Tsitsihar."

We gather that Ranger rather enjoyed finding Japanese soldiers drunk, taking their guns or short swords away from them. Certainly he had many brushes with the Japanese militarists when he was captain of a small river boat on the Sungari and Nonni, when he peddled insurance and airplanes, and engaged in his gun-running activities.

There are some splendid descriptive passages in the book and none more gruesome than his tale of the horror and suffering which followed the floods in Harbin. When the Japanese finally made it too hot for him in "Manchukuo," Ranger comes to Shanghai, tries a half dozen "plans" for making money, sells a series of articles on his experiences to the China Press, and then returns to England.

He has an amusing, if somewhat caustic, reference to the Shanghai R.A.F. Club. Invited there for tiffin, he asked why Bert Hall was not a member and was told that Hall was "an adventurer" and "not at all the type of person to belong to the Club."

To which Ranger has a ready reply: "Personally, I doubt if Bert Hall would have joined such a collection of bums anyway. The majority of them were just holding down jobs in business concerns which men like Hall originated. Had they troubled to ready anything but their daily papers, they might have learned how British trade abroad—especially in the Far East—was first started by "adventurers". They might further have realized that the decline of British trade was due largely to the lack of effort and go on the part of job-holding old-timer fungi, like themselves."

His description of "The Peak" in Hongkong is equally trenchant. "On the Peak, in an atmosphere of damp cloud, bridge and tea, live the *elite*, close to the Hongkong Club, where the pimple of their suburban snobbery comes to a head."

E. H. L.

W. Y. Lin Discusses China's New Monetary System

The New Monetary System of China, A Personal Interpretation, by W. Y. Lin. Shanghai, Kelly and Walsh, Limited. 1936.

Much has been written in the past few years, and particularly since the changes of last November, regarding China's monetary and financial problems, but none of them, in the opinion of the reviewer, approach W. Y. Lin's treatment in excellence. Clear, concise, judicious, and sound in theory, this work compels admiration and enthusiasm.

The plan of the book is simple, and the length (175 pages) moderate. Following a brief introduction, the second chapter, "The Background," portrays the economic and financial conditions and events leading up to the adoption of the new standard in early November of last year. Concisely stated, this chapter shows that the breakdown of the silver standard in China was an important factor aggravating the already strong forces drawing China deeper and deeper into the economic depression from which the rest of the world was showing signs of emerging. Financial collapse was threatened. The new monetary policy was aimed to meet this crisis. Such statistical evidence as is available is carefully presented, though the author warns that both the lack and the quality of such evidence prevent a completely satisfactory picture being given.

Chapter three describes the features of the currency reform and the significance of the changes, while the following chapter discusses the possible objectives of monetary control (stable prices vs. stable exchanges), and particularly the importance of increasing the machinery for such control in China through an expansion of the duties of the Central Exchange Bank. A metallic standard, either gold or silver, is to a large extent automatic in its operation. But a "managed currency" must be managed, and successful management requires controls both active and powerful.

The fifth chapter—and the last one, save a "Summary and Conclusion—discusses the prospects of the new currency in the light of the experiences of the first six months, and particularly in view of the "controlling factors in the situation" which might promote or impede the success of the experiment. This is a highly realistic presentation, clothed in clear and non-technical phraseology, and worthy of study by all whose livelihood is at all dependent upon Chinese economic conditions.

Books dealing with monetary problems frequently err in one of two ways. If the author is a "practical business man" who admits he has not studied the subject much, but "is sure that observation and common sense is all that is needed to solve any of its problems," the treatment is sure to be shallow, and probably biased. The world has been treated to many such since the collapse of 1929. On the other hand there are far too many monetary theorists, and various publications of the past few years show that China has her quota, who see in managed currencies the solution of all economic problems; who interpret all business fluctuations in terms of monetary influences alone. Of the two the latter is the more dangerous because generally more plausibly presented, abounding in convincing graphs and "statistics."

The volume under review cannot be criticized on either of these grounds. The author's knowledge of monetary principles and theory is richly illustrated throughout. Excellent training is as clear as in a mannerly child. But that which most pleased the reviewer is the restraint shown at all times. Thus the responsibility for the crisis of last year was not placed alone nor even largely upon the silver standard, though the latter was "a decidedly important factor in the situation." Moreover the new system is not rashly enthroned as a sure-cure for China's economic or even monetary problems Factors favorable and unfavorable are judiciously balanced, and the future, as it must be, is left to the decision of yet unborn events.

All interested in this problem will surely join in hoping that Mr. Lin will continue his work in this field.

P. B. S.

First President of the Philippine Commonwealth

Quezon: Man of Destiny. By Carlos Quirino. Manila, Box 1655,1935. Paper bound, 122 pages. $2.00 Shanghai currency, postpaid.

Whatever opinions his enemies or friends may hold, Manuel Quezon, the first president of the Philippine Commonwealth, has had a career which may well lead to picturesque biography. From a family of Spanish and Malay blood in the little town of Baler, the young Quezon went the eighty miles to Manila to school. As a leader and an orator he early showed the qualities which were to characterize him in public life—ability to bluff, to anticipate the actions of his fellows, his headstrong and impulsive actions. As a member of Aguinaldo's staff he fought against the America invaders. His native shrewdness as a lawyer quickly carried him into politics and his stormy election to the governorship of Tayabas in 1906 was to be a sample of his subsequent career.

The account of the struggle between Osmena and Quezon is presented by the author not only as the central pivot in the

development of Quezon's career, but also as one of the most interesting sides of the entire nationalist movement. These two are shown as worthy rivals. The author of this short biography, a young newspaper man, has made no attempt to skim over the opportunism and inconsistencies which have been characteristics of Quezon's political history. But he has shown how Quezon's growth has been toward realism and toward a conservatism which will be of great value to the Philippine Commonwealth during his presidential term. F.M.R.

A Book About Spiders in the Antipodes

Spider Wonders of Australia. By Keith C. McKeown, Assistant Entomologist, Australian Museum, Sydney. Sydney: Angus and Robertson, 1936. 270 pages, index. 6 shillings.

No book of short stories could have more variety of plot and character than this charming book on Australian spiders by Keith C. McKeown, entomologist of the Australian Museum in Sydney. Each chapter, which describes the life history of a certain species, has the unity, the incident and the climax which one associates with the art of the short story. There is the Hairy Imperial which fished in the air with line and bait; the Dolomedes facetus which with their legs catch fish under water and carry them ashore to eat; the Wolf spider who stalks his prey; the spider that flies; and the St. Andrew's Cross spider (seen also at Mokanshan by the reviewer this past summer) which constructs a white cross on its web in order to attract the prey. It is not only Mr. McKeown's observation, but in no small measure it is also his literary gift which makes this book truly fascinating.

The spider world (one cannot call it the insect world, for the Arachnida form an order of their own) sees "customs which might well have been transported from another planet, and many things normal to spiders rival the wildest imaginings of the disordered mind of a drug addict, so that one is repeatedly impelled to exclaim, 'Surely such things cannot be!'"

Mr. McKeown writes that biologists have scarcely approached to an adequate knowledge of the ways of spiders. The field is so widespread and so varied that it seems a gift of nature to the biological amateur. To open a new world within the radius of one's daily life is no mean achievement. Yet that is what this book can do, both for children and their elders.

F. M. R.

Pirated Edition of Col. Stimsom's Book to Be Printed Here?

A pirated edition of Colonel Henry L. Stimson's latest book, "The Far Eastern Crisis," published in Shanghai through photostatic reproduction, was announced this week to be available at $2.95 a copy. The original American edition of the book sells locally for $14 a copy. In front-page advertisements in local Chinese papers the Chung Kuo Tung Yih Sha, which started to reproduce the book, announced that the edition would be off the press on November 20. Advance subscriptions were being accepted at $2.95 a copy at the Chung Kuo Tung Yih Sha, 378 Peking Road and the Wen Hua Printing Company, Lane 300, House No. 3 Moulmein Road.

Later indications were that the Chinese authorities would step in to stop this impudent attempt to override the American copyright.

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LI CHU APPOINTED ACTING GOVERNOR OF HUPEH PROVINCE

(*Continued from page 340*)

minent citizens. These are a gift to Generalissimo Chiang Kai-shek in honor of his fiftieth birthday. General Ho Cheng-chun officiated at the ceremony, while Mayor Wu, Garrison Commander Chen Chi-cheng, and many other officials were present. The five planes were named: "Hupeh", "Hankow", "Wuchang," Anti-Narcotic No. 1", "Anti-Narcotic No. 2." In all three cities' flags were flying all day, and the streets were thronged with spectators. At the christening no less than about 100,000 were present. The cost of the five planes is close to $500,000 Chinese National Currency. The planes left for Nanking to be presented on Oct. 31.

Hankow, Oct. 31, 1936.

Britain Is Charged with Unfairness by Tokyo "Kokumin"

After a serious study of the matter, Japanese diplomatic authorities have finally come to the conclusion that it is "unnecessary for Japan to work positively" for a readjustment of Anglo-Japanese relations, the Tokyo *Kokumin* stated Oct. 29. "The favorable atmosphere still existing between British and Japanese intellectuals, as well as the two governments, has thus been robbed of any chance of practical realization owing to the Japanese Government's decision in favor of a 'hands-off' China policy." The journal contends that Great Britain is blocking Japanese imports throughout the British Empire, and that a state of belligerency exists between the two nations as far as trade is concerned, but that nevertheless Great Britain wants Japan to give a unilateral guarantee regarding British interests in China.

Japanese Government leaders, the *Kokumin* added, now realize the unfairness of this proposition and are ready to abandon the idea of co-operating with Great Britain.

Japan to Reject British Scheme of Pacific Non-Fortification

Although the Tokyo Ministry of the Navy and the Foreign Office have not yet reached final agreement, the Tokyo *Nichi Nichi* (Nov. 2) understands that rejection of the British proposal to retain Article XIX of the Washington Treaty, providing for the non-fortification of naval bases in the Pacific, is virtually certain. Naval experts, the journal stated, maintain that the retention of that article is pointless and that freedom from restriction is definitely advantageous to Japan. Therefore, it is added, Japan will possibly decide to ignore altogether the British proposal, which was made at the beginning of October simultaneously to the United States and Japanese Government by the British Ambassadors at Washington and Tokyo.

Soviet Ambassador Bogomoloff to Proceed to Moscow Shortly

According to information from authoritative circles, D. V. Bogomoloff, the U. S. S. R. Ambassador to China, is leaving for Moscow in the near future to participate in the work of the Extraordinary all-Union Congress of Soviets. Mr. Bogomoloff is a member of the Central Executive Committee of the U.S.S.R.

Dr. Chiang Ting-fu, the new Ambassador to Soviet Russia, arrived at Vladivostok Oct. 30 and immediately proceeded to Moscow by special train via the Trans-Siberian Railway.

Chen Ta-chi, Chairman of the Examination and Selection Committee of the Examination Yuan, has been appointed Director of the Examination Bureau of the Metropolitan Ordinary Civil Service Examination.

"Tass" Hits Nipponese Press Reports Here

Tass, official Soviet news agency, alleges that several of the local Japanese newspapers "who were formerly detected in the spreading of provocational anti-Soviet fabrications, again take the liberty of publishing obviously provocative information." On October 28, it is stated, Shanghai *Nichi-Nichi* published a communication alleging that a conference of the Chinese Communist Party was being convoked in the premises of the Soviet Consulate in Tientsin. The Shanghai *Nichi-Nichi* event even further in its shameless lies, stated *Tass*, and published a communication that allegedly Mr. Bogomolov, the U.S.S.R. Ambassador to China, had recently left for the North to participate in the conference of the Chinese Communist Party.

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November 3, 1936

Stock Exchange— Business Done:-
Total Volume: 1,600,000 Shares

1936 High	Low	Div. $ per sh.	STOCKS	Last Sale Oct. 31	Nov. 2
15¼	9⅝	0.20	Adams Express	14⅜	14⅜
137½	115⅜	4.00	American Can	124⅝	125½
40⅜	29¼	0.30	Amer. Cyanamid "B"	36¼	35⅝
9⅝	6½	—	American & For. Power	7	6⅞
50	29⅜	—	American & Foreign Pwr. $7 pfd.	48⅝	46½
27⅜	18⅜	—	American Radiator	22⅜	21⅜
180⅜	149½	9.00	American Tel. & Tel.	180¾	179
103½	88½	5.00	American Tobacco "B"	99⅞	100
27⅝	19¼	0.20	American Waterworks	27⅜	26½
47⅞	28	0.50	Anaconda Copper	47¾	49⅝
88	59	2.00	Atchison, T. & S. Fe	78¼	77⅞
54¼	26⅝	—	Auburn	33¼	33
26¼	15⅞	—	Baltimore & Ohio	23	22⅝
75⅝	45⅝	—	Bethlehem Steel	72¼	72⅛
30½	16⅞	—	Boeing Airplane Co.,	26⅜	26⅜
16	10⅞	—	Canadian Pacific Railway	13½	13½
186	92½	—	Case, J. I.	161¼	158¾
50⅝	34	1.40	Chase National Bank	47⅜	47½
99	59	3.00	Chesapeake Corp.	99	97½
77	51	2.80	Chesapeake & Ohio	76⅝	76¾
130⅛	85½	7.25	Chrysler	128⅜	128¼
23⅜	14	0.40	Columbia Gas & Electric	19⅞	19⅜
24⅜	14¼	0.60	Coml. Solvents	16¼	16¼
5½	2¼	—	Commonwealth & Southern (ord.)	4¼	4
48¼	27¼	2.00	Consolidated Edison	47⅞	46¼
15¼	11½	0.60	Consolidated Oil	13⅜	13¼
38⅜	28¼	1.00	Continental Oil	36⅜	36¼
82½	64	3.00	Corn Products	70¼	70¼
81⅜	50⅝	—	Douglas Aircraft	72⅜	71⅝
174	133	3.60	Du Pont de Nemours	174	173½
27	15⅜	—	Electric Bond & Share	23⅞	22½
49⅛	34½	0.90	General Electric	49	49
43⅛	33⅜	1.80	General Foods	41½	41¾
74⅛	53⅞	2.00	General Motors	72¾	73
50	32½	1.00	General Railway Signal	41	42
21⅝	12⅝	1.05	Gold Dust	13¾	13⅞
31⅞	21⅝	—	Goodyear Tire & Rubber	26	26⅛
76½	57	1.00	Humble Oil	66	66
62⅞	43¼	1.35	Internation Nickel	61¼	62⅞
19¼	11¾	—	International Tel. & Tel.	12¼	12⅛
59⅝	28¼	0.90	Kennecott	59⅝	59⅞
62	43	2.00	Loew's Inc.	57⅜	57¼
26½	21½	1.20	Lorillard	23¼	22⅞
103	79	1.00	Monsanto Chemical	94¼	94
58¼	35⅝	0.60	Montgomery Ward	57⅜	57⅝
45⅜	31	1.00	National City Bank	41½	41
28¼	21	1.20	National Dairy Prods.	25½	25⅜
33⅜	25⅝	2.00	National Distillers	28½	28¾
14⅞	9⅝	0.60	National Power & Lt.	12⅝	12¼
49¼	27⅜	—	New York Central	45¼	45¼
36⅜	23⅞	1.00	North American	33⅞	32¼
41	30⅜	1.50	Pacific Gas & Electric	39¼	38
58⅜	47⅝	2.40	Pacific Lighting	53¼	53
13¼	6⅞	0.25	Packard Motors	12⅝	12⅝
44⅞	28¼	1.00	Pennsylvania Railroad	42⅞	43¼
49⅜	38⅛	1.00	Phillips Petroleum	44⅞	45¾
49⅛	39	2.40	Public Serv. of N. J.	48	47
14¼	9⅜	—	Radio Corporation of Amer.	11	10¾
58⅝	50	3.00	Reynolds Tobacco "B"	57⅜	58
52	37⅜	0.75	Schenley	49⅜	49
98¼	59⅝	2.00	Sears Roebuck	98¼	98¼
17	12⅛	0.60	Socony-Vacuum	16⅞	16⅝
32½	25	1.50	Southern California Edison	31½	31
47⅛	23½	—	Southern Pacific	45⅜	45½
18	14⅜	0.80	Standard Brands	17½	17½
9⅞	5¼	—	Standard Gas & Electric	7⅞	7¼
70	51⅛	1.00	Standard Oil Co. of N. J.	68½	69
77¼	65	3.80	Sterling Products	75¼	75½
89	83	2.00	Texas Gulf Sulphur	89	88¾
15	11	0.30	Transamerica	14⅜	14⅝
101	71⅝	3.00	Union Caride & Caroon	100½	99⅜
149¾	108½	6.00	Union Pacific	143	141
32⅜	20⅜	—	United Aircraft (New)	23¼	23¼
21	13	—	United Airline Trans.	14⅛	13⅞
9¼	5⅜	—	United Corporation	8¼	7⅝
19½	14⅜	1.00	United Gas Improvement	16⅛	16
59	31½	—	U.S. Indus. Alcohol	38½	39½
38⅜	16⅝	—	U. S Rubber	37	36⅛
79⅛	46⅜	—	U. S. Steel	76¼	75⅞
27¼	16¼	—	Vanadium	22¼	22⅞
15	9¼	—	Warner Bros. Pictures	14⅜	14½
153	94½	3.00	Westinghouse Electric	145⅜	143¾

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